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# City of South Gate

Item No. 4

FEB 20 2018

CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

## AGENDA BILL

*Sam*

For the Regular Meeting of: February 27, 2018

Originating Department: Public Works

Department Head:

*[Signature]*  
Arturo Cervantes

City Manager:

*[Signature]*  
Michael Flad

**SUBJECT: RESOLUTION IN SUPPORT OF PROPOSITION 69 AND IN OPPOSITION OF SENATE BILL 1 REPEAL EFFORTS**

**PURPOSE:** Senate Bill 1 (SB 1) will raise \$5.2 billion annually in long-term, dedicated transportation funding to make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses. Proposition 69 prevents the State Legislature from diverting or raiding any new transportation revenues from Senate Bill 1 for non-transportation improvement purposes.

**RECOMMENDED ACTION:** Adopt Resolution supporting Proposition 69, opposing Senate Bill 1 repeal efforts, and authorizing the City to be included in the "Coalition to Protect Local Transportation Improvements List."

**FISCAL IMPACT:** None.

**ANALYSIS:** SB 1, known as the Road Repair and Accountability Act of 2017, enacted an estimated \$5.2 billion-a-year increase in transportation-related taxes and fees to address aging roadway infrastructure statewide. Currently, SB 1 revenues are partially protected by the State constitution for the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. Proposition 69 extends these same constitutional protections to the all new revenues generated by SB 1.

The proposed Resolution opposes any effort to repeal SB 1. Efforts to repeal SB 1 have been ongoing since its approval by Governor Brown. Signatures have been collected to place a repeal measure on the November 2018 ballot. The City is scheduled to receive an estimated \$1.6 million annually to fix City streets, but will not if SB 1 is repealed.

The proposed Resolution also authorizes the City to be listed as a member of the Coalition to Protect Local Transportation Improvements, a diverse coalition of local government, business, labor, transportation and other organizations throughout the state, in support of Proposition 69 and in opposition of the repeal of SB 1.

**BACKGROUND:** SB 1 was approved by Govern Brown in April 2017 and provided a new source of funding for transportation purposes, including funding for the state highway system and the local street and road system. SB 1 consist of the following:

- Gasoline Excise Taxes: An additional 12 cents per gallon increase beginning November 1, 2017.

- Diesel Fuel Excise Taxes: An additional 20 cents per gallon increase beginning November 1, 2017.
- Vehicle Registration Fees: 1) A new tax called "Transportation Improvement Fee" will increase vehicle registration taxes based on the value of the vehicle, effective January 1, 2018.  
2) An additional \$100 vehicle registration tax will be placed on zero emissions vehicles (ZEV) of model year 2020 or later, effective July 1, 2020.

SB 1 provided accountability and transparency measures; however, additional protective measures are necessary to prohibit the State from borrowing or diverting the new revenue stream. Furthermore, as SB 1 repeal efforts continue, it is critical to oppose efforts that would consider such action.

**ATTACHMENTS:** A. Proposed Resolution  
B. SB 1 New Local Streets Roads and Funding  
C. Proposition 69

AC/GD:lc

**RESOLUTION NO. \_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE OF CITY COUNCIL OF THE  
CITY OF SOUTH GATE SUPPORTING PROPOSITION 69,  
OPPOSING SENATE BILL 1 REPEAL EFFORTS, AND  
AUTHORIZING THE CITY TO BE INCLUDED IN THE  
COALITION TO PROTECT LOCAL TRANSPORTATION  
IMPROVEMENT LISTS**

**WHEREAS**, California's cities, counties and transportation agencies face a statewide backlog of over \$130 billion in needed funds to make transportation infrastructure improvements; and

**WHEREAS**, "The Road Repair and Accountability Act" (SB 1 – Beall) passed by the Legislature and signed by the Governor last year will raise over \$5 billion annually in long-term, dedicated transportation funding to make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses, with the revenues split equally between state and local government projects; and

**WHEREAS**, SB 1 provides critically-needed funding in City of South Gate. The FY 2017/18 allocations will be used for the Firestone Corridor Capacity Enhancement Project and the City Sidewalk Improvement Project, Phase V; and

**WHEREAS**, SB 1 contains strong accountability provisions to streamline projects by cutting bureaucratic redundancies and red tape to ensure transportation funds are spent efficiently and effectively, while also establishing the independent office of Transportation Inspector General to perform audits, improve efficiency and increase transparency; and

**WHEREAS**, Proposition 69 on the June 2018 ballot would add additional accountability for taxpayers by preventing the State Legislature from diverting or raiding any new transportation revenues for non-transportation improvement purposes; and

**WHEREAS**, there is also a proposed ballot measure aimed for the November 2018 ballot (Attorney General #17-0033) that would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future; and

**WHEREAS**, this proposed November proposition would raid \$1.6 million that the City is scheduled to receive annually, and halt critical investments in future transportation improvement projects in our community;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City hereby supports Proposition 69 - the June 2018 constitutional amendment to prevent new transportation funds from being diverted for non-transportation purposes; and

**SECTION 2.** The City hereby opposes the proposed November ballot proposition (Attorney General #17-0033), and any other proposition, that would repeal the new transportation funds and make it more difficult to raise state and local transportation funds in the future; and

**SECTION 3.** The City supports and can be listed as a member of the Coalition to Protect Local Transportation Improvements, a diverse coalition of local government, business, labor, transportation and other organizations throughout the state, in support of Proposition 69 and opposing the repeal of SB 1.

**SECTION 4.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED, and ADOPTED** this 27<sup>th</sup> day of February 2018.

**CITY OF SOUTH GATE:**

\_\_\_\_\_  
Maria Davila, Mayor

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

**DRAFT**  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

**SB1 Road Repair and Accountability Act of 2017  
New Local Streets & Roads Funding**

	<b>TenYr Total</b>
<b>LOS ANGELES COUNTY</b>	
AGOURA HILLS	6,059,000
ALHAMBRA	24,791,000
ARCADIA	16,297,000
ARTESIA	4,823,000
AVALON	1,065,000
AZUSA	14,136,000
BALDWIN PARK	21,536,000
BELL	10,489,000
BELLFLOWER	21,885,000
BELL GARDENS	12,270,000
BEVERLY HILLS	9,931,000
BRADBURY	321,000
BURBANK	30,026,000
CALABASAS	6,931,000
CARSON	26,851,000
CERRITOS	14,115,000
CLAREMONT	10,346,000
COMMERCE	3,750,000
COMPTON	28,917,000
COVINA	14,081,000
CUDAHY	7,028,000
CULVER CITY	11,555,000
DIAMOND BAR	16,306,000
DOWNEY	32,618,000
DUARTE	6,335,000
EL MONTE	32,533,000
EL SEGUNDO	4,755,000
GARDENA	17,364,000
GLENDALE	57,610,000
GLENDORA	14,958,000
HAWAIIAN GARDENS	4,264,000
HAWTHORNE	25,139,000
HERMOSA BEACH	5,656,000
HIDDEN HILLS	535,000
HUNTINGTON PARK	17,059,000
INDUSTRY	129,000
INGLEWOOD	33,322,000
IRWINDALE	406,000
LA CANADA FLINTRIDGE	5,872,000
LA HABRA HEIGHTS	1,559,000
LAKESWOOD	22,867,000
LA MIRADA	14,180,000
LANCASTER	44,876,000
LA PUENTE	11,575,000
LA VERNE	9,484,000
LAWNDALE	9,569,000
LOMITA	5,796,000
LONG BEACH	138,536,000
LOS ANGELES	1,151,491,000
LYNWOOD	20,712,000
MALIBU	3,630,000
MANHATTAN BEACH	10,083,000

**SB1 Road Repair and Accountability Act of 2017  
New Local Streets & Roads Funding**

	<b>TenYr Total</b>
MAYWOOD	8,061,000
MONROVIA	10,721,000
MONTEBELLO	18,261,000
MONTEREY PARK	17,524,000
NORWALK	30,078,000
PALMDALE	45,727,000
PALOS VERDES ESTATES	3,917,000
PARAMOUNT	16,112,000
PASADENA	40,285,000
PICO RIVERA	18,360,000
POMONA	44,451,000
RANCHO PALOS VERDES	12,295,000
REDONDO BEACH	19,852,000
ROLLING HILLS <sup>(2)</sup>	
ROLLING HILLS ESTATES	2,304,000
ROSEMEAD	15,778,000
SAN DIMAS	9,754,000
SAN FERNANDO	7,008,000
SAN GABRIEL	11,548,000
SAN MARINO	3,875,000
SANTA CLARITA	64,421,000
SANTA FE SPRINGS	5,273,000
SANTA MONICA	26,750,000
SIERRA MADRE	3,146,000
SIGNAL HILL	3,335,000
SOUTH EL MONTE	5,946,000
SOUTH GATE	28,446,000
SOUTH PASADENA	7,435,000
TEMPLE CITY	10,437,000
TORRANCE	42,043,000
VERNON	60,000
WALNUT	8,613,000
WEST COVINA	30,816,000
WEST HOLLYWOOD	10,262,000
WESTLAKE VILLAGE	2,395,000
WHITTIER	25,236,000
County of Los Angeles	1,772,881,000
Total Cities & County: Los Angeles	4,399,831,000



RC 30

**FILED**  
In the office of the Secretary of State  
of the State of California  
APR 17 2017  
By Timothy R. O'Donnell  
Deputy Secretary of State

**Assembly Constitutional Amendment No. 5**

Adopted in Assembly April 6, 2017

*Eric M. Parker*  
Acting *Chief Clerk of the Assembly*

Adopted in Senate April 6, 2017

*Siya*  
*Secretary of the Senate*

Attest:

*Alexis Roll*  
*Secretary of State*

This resolution was received by the Secretary of State this  
17<sup>th</sup> day of April, 2017, at 1  
o'clock P.M.

*Timothy R. O'Donnell*  
*Deputy Secretary of State*



## RESOLUTION CHAPTER \_\_\_\_\_

Assembly Constitutional Amendment No. 5—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIX A thereof, by adding Section 15 to Article XIII B thereof, and by adding Article XIX D thereto, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

ACA 5, Frazier. Motor vehicle fees and taxes: restriction on expenditures: appropriations limit.

(1) Article XIX of the California Constitution restricts the expenditure of revenues from taxes imposed by the state on fuels used in motor vehicles upon public streets and highways to street and highway and certain mass transit purposes, and restricts the expenditure of revenues from fees and taxes imposed by the state upon vehicles or their use or operation to state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways, as well as to street and highway and certain mass transit purposes. These restrictions do not apply to revenues from taxes or fees imposed under the Sales and Use Tax Law or the Vehicle License Fee Law.

This measure would add Article XIX D to the California Constitution to require revenues derived from vehicle fees imposed under a specified chapter of the Vehicle License Fee Law to be used solely for transportation purposes, as defined. The measure would prohibit these revenues from being used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016. The measure would prohibit the revenues from being used for the payment of principal and interest on state transportation general obligation bonds issued after that date unless the bond act submitted to the voters expressly authorizes that use. The measure would also prohibit the Legislature from borrowing these revenues, except as specified, or using them for purposes other than transportation purposes.

(2) Article XIII B of the California Constitution prohibits the total annual appropriations subject to limitation of the state and

each local government from exceeding the appropriations limit of the entity of the government for the prior year, as adjusted.

This measure would exclude appropriations of certain revenues associated with the Road Repair and Accountability Act of 2017 from the appropriations subject to constitutional limitation.

(3) Article XIX A of the California Constitution requires the deposit of a specified portion of the sales and use tax on diesel fuel in the Public Transportation Account in the State Transportation Fund, and restricts the expenditure of those revenues to certain transportation planning and mass transportation purposes. Article XIX A prohibits the Legislature from borrowing these revenues and from using these revenues other than as specifically permitted by Article XIX A.

This measure would restrict additional portions of the sales and use tax on diesel fuel to expenditure on certain transportation planning and mass transportation purposes and require those revenues to be deposited in the Public Transportation Account. The measure would prohibit the Legislature from temporarily or permanently diverting or appropriating these additional revenues for other than certain transportation planning and mass transportation purposes, or from borrowing, except as specified, these additional revenues.

WHEREAS, Transportation revenues raised by the Road Repair and Accountability Act of 2017 should be constitutionally protected for transportation purpose; and

WHEREAS, By so doing, Californians are assured revenues raised by that act are spent to repair streets and bridges, address years of deferred maintenance on highways and local roads, improve mobility and public transit, and invest in needed transportation infrastructure to benefit all Californians; now, therefore, be it

*Resolved by the Assembly, the Senate concurring*, That the Legislature of the State of California at its 2017-18 commencing on the fifth day of December 2016, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California, that the Constitution of the State be amended as follows:

First—That Section 15 is added to Article XIII B thereof, to read:



SEC. 15. "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenues from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017, or any other revenues deposited into any other funds pursuant to the act. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenues being deposited in or appropriated from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017 or any other account pursuant to the act.

Second—That Section 1 of Article XIX A thereof is amended to read:

SECTION 1. (a) The Legislature shall not borrow revenues from the Public Transportation Account, or any successor account, and shall not use these revenues for purposes, or in ways, other than those specifically permitted by this article.

(b) The Public Transportation Account in the State Transportation Fund, or any successor account, is a trust fund. The Legislature may not change the status of the Public Transportation Account as a trust fund. Funds in the Public Transportation Account may not be loaned or otherwise transferred to the General Fund or any other fund or account in the State Treasury.

(c) All revenues specified in paragraphs (1) through (3), inclusive, of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as that section read on June 1, 2001, shall be deposited no less than quarterly into the Public Transportation Account (Section 99310 of the Public Utilities Code), or its successor. The Legislature may not take any action which temporarily or permanently diverts or appropriates these revenues for purposes other than those described in subdivision (d), or delays, defers, suspends, or otherwise interrupts the quarterly deposit of these funds into the Public Transportation Account.

(d) Funds in the Public Transportation Account may only be used for transportation planning and mass transportation purposes. The revenues described in subdivision (c) are hereby continuously appropriated to the Controller without regard to fiscal years for allocation as follows:

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(1) Fifty percent pursuant to subdivisions (a) through (f), inclusive, of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(2) Twenty-five percent pursuant to subdivision (b) of Section 99312 of the Public Utilities Code, as that section read on July 30, 2009.

(3) Twenty-five percent pursuant to subdivision (c) of Section 99312 of the Public Utilities Code, as that section read on July 30, 2009.

(e) For purposes of paragraph (1) of subdivision (d), "transportation planning" means only the purposes described in subdivisions (c) through (f), inclusive, of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(f) For purposes of this article, "mass transportation," "public transit," and "mass transit" have the same meaning as "public transportation." "Public transportation" means:

(1) (A) Surface transportation service provided to the general public, complementary paratransit service provided to persons with disabilities as required by 42 U.S.C. 12143, or similar transportation provided to people with disabilities or the elderly; (B) operated by bus, rail, ferry, or other conveyance on a fixed route, demand response, or otherwise regularly available basis; (C) generally for which a fare is charged; and (D) provided by any transit district, included transit district, municipal operator, included municipal operator, eligible municipal operator, or transit development board, as those terms were defined in Article 1 of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code on January 1, 2009, a joint powers authority formed to provide mass transportation services, an agency described in subdivision (f) of Section 15975 of the Government Code, as that section read on January 1, 2009, any recipient of funds under Sections 99260, 99260.7, 99275, or subdivision (c) of Section 99400 of the Public Utilities Code, as those sections read on January 1, 2009, or a consolidated agency as defined in Section 132353.1 of the Public Utilities Code, as that section read on January 1, 2009.

(2) Surface transportation service provided by the Department of Transportation pursuant to subdivision (a) of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

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(3) Public transit capital improvement projects, including those identified in subdivision (b) of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(g) All revenues specified in Sections 6051.8 and 6201.8 of the Revenue and Taxation Code, as those sections read on January 1, 2018, shall be deposited no less than quarterly into the Public Transportation Account, or its successor. Except as provided in Sections 16310 and 16381 of the Government Code, as those sections read on January 1, 2018, the Legislature may not take any action that temporarily or permanently diverts or appropriates these revenues for purposes other than those described in subdivision (d), or delays, defers, suspends, or otherwise interrupts the quarterly deposit of these revenues into the Public Transportation Account.

Third—That Article XIX D is added thereto, to read:

ARTICLE XIX D  
VEHICLE LICENSE FEE REVENUES FOR  
TRANSPORTATION PURPOSES

SECTION 1. (a) Notwithstanding Section 8 of Article XIX, revenues derived from vehicle fees imposed under the Vehicle License Fee Law pursuant to Chapter 6 (commencing with Section 11050) of Part 5 of Division 2 of the Revenue and Taxation Code, or its successor, over and above the costs of collection and any refunds authorized by law, shall be used solely for transportation purposes, as defined by Section 11050 of the Revenue and Taxation Code, as that section read upon enactment of the Road Repair and Accountability Act of 2017.

(b) The revenues described in subdivision (a) shall not be used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016, nor shall those revenues be used for payment of principal and interest on state transportation general obligation bond acts approved by the voters after that date, unless the bond act expressly authorizes that use.

(c) Except as provided in Sections 16310 and 16381 of the Government Code, as those sections read on January 1, 2018, the Legislature shall not borrow the revenues described in subdivision (a), and shall not use these revenues for purposes, or in ways, other than as authorized in subdivisions (a) or (b).