



June 22, 1995

Los Angeles County
Metropolitan
Transportation
Authority

TO: BOARD OF DIRECTORS
FROM: BARRY ENGELBERG *for FWE*
THROUGH: FRANKLIN E. WHITE
SUBJECT: SB 877 (ALQUIST) - AUTHORIZATION OF A REGIONAL
SALES TAX ON GASOLINE FOR THE BAY AREA

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The Metropolitan Transportation Commission (MTC), the nine-county transportation planning agency in the Bay Area, is sponsoring SB 877. The bill would authorize the MTC to place a sales tax on gasoline measure on the ballot for voter approval. It was requested at the Executive Management Committee meeting that staff prepare this memo for the Directors.

IMPACT ON THE MTA

SB 877 authorizes this regional sales tax on gasoline only for the nine-county MTC region. Many transportation entities around the state are closely following SB 877 progress through the legislative process. If MTC is successful in securing the passage of this measure, it is certainly possible that others may seek similar authority in the near future.

BACKGROUND

Current state law provides counties with the authority to place a sales tax increase of up to one (1) percent on the ballot for voter approval. Over the last fifteen years, many counties have placed 1/2 percent measures before the voters with success and are now utilizing these revenues for local transportation programs and projects.

State law also authorizes counties to place ballot measures increasing the fuel tax before the voters for approval. In 1982 when three counties attempted this method to enhance transportation revenues all three ballot measures failed passage.

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SB 877 would authorize that in the MTC region (nine counties in the Bay Area), voters could also vote to increase their sales tax on gasoline by up to 10 cents. The additional revenues would be used for transit systems in the region, ferry and bicycle projects, carpool lanes, seismic retrofit and other transit and highway projects. The actual expenditure plan will be developed by the MTC, local officials, and the public prior to the vote on the ballot measure, scheduled for November, 1996.

SB 877 allows MTC to include in the ballot measure a provision requesting voter approval for bonding against the revenues generated by the tax increase. Although the bill does not specify a time limit for the tax increase, MTC material indicates the tax would sunset after a 20-year period.


POSITIONS ON SB 877

SB 877 is supported by quite a few transit districts, transportation authorities and interests, and municipal governments around the nine-county region. SB 877 is opposed by the California Taxpayers Association and the California State Automobile Association.

STATUS

SB 877 is currently pending consideration in the Assembly Committee on Transportation.

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