

Date of Hearing: April 18, 2016

**ASSEMBLY COMMITTEE ON TRANSPORTATION**

Jim Frazier, Chair

AB 1910 (Harper) – As Introduced February 11, 2016

**SUBJECT:** Transportation: advisory question: election

**SUMMARY:** Enacts the "Fix Our Roads Act" and places an advisory question related to transportation funding on the November 8, 2016, general election ballot. Specifically, **this bill:**

- 1) Makes legislative findings and declarations regarding:
  - a) The multi-billion dollar annual shortfall in transportation funding;
  - b) The state of the State's highway condition and performance;
  - c) The costly impacts of traffic congestion;
  - d) California's gas tax rate and vehicle rates compared to other states and the impact that those taxes and fees have on low- and moderate-income working families;
  - e) The use of truck weight fees to provide General Fund debt relief;
  - f) The cost of California's high-speed rail project;
  - g) The application, or lack thereof, of gas taxes and other vehicle fees on electric vehicles; and,
  - h) The Governor's transportation funding proposal.
- 2) Directs the Secretary of State, notwithstanding specific provisions governing election procedures, to submit the following advisory question to the voters at the November 8, 2016, election:

“Shall the California Legislature disproportionately target low-income and middle class families with a regressive tax increase on gasoline and annual vehicle registrations to fund road maintenance and rehabilitation, rather than ending the diversion of existing transportation tax revenues for non-transportation purposes, investing surplus state revenue in transportation infrastructure, repaying funds borrowed from transportation accounts, prioritizing roads over high-speed rail, and eliminating waste at the Department of Transportation?”

**EXISTING LAW:**

- 1) Explicitly authorizes cities, counties, school districts, community college districts, county boards of education, and special districts to place advisory questions on the ballot.
- 2) Does not explicitly authorize nor prohibit statewide advisory questions.
- 3) Imposes state taxes and fees related to transportation, including:

- a) Gasoline excise tax: \$0.30/gallon;
- b) Diesel excise tax: \$0.13/gallon;
- c) Diesel sales tax: 9.25%;
- d) Vehicle license fee: 0.65% of a vehicle's market value;
- e) Vehicle registration fee: \$43 per vehicle; and
- f) Weight fees, for commercial vehicles only, up to a maximum amount of \$2,064.

**FISCAL EFFECT:** Unknown

**COMMENTS:** The state is in the midst of a transportation funding crisis. In fact, last year Governor Brown proclaimed the need for an extraordinary session of the Legislature to address the maintenance and repair of its core transportation infrastructure. Although numerous related proposals have been put forward, a comprehensive solution to the funding crisis remains elusive. According to the author, the purpose of AB 1910 is to ask for guidance from voters on solving this funding crisis.

*Committee concerns:* The bill raises two policy questions:

- 1) Is it appropriate to place advisory questions on the statewide ballot?
- 2) If yes, is the question posed in AB 1910 an appropriate question?

The issue about whether or not it is appropriate to place an advisory question on the ballot will undoubtedly be more fully discussed in the Assembly Elections and Redistricting Committee, which is where this bill will be referred if it is successful in this committee. While existing state law explicitly authorizes cities, counties, school districts, community college districts, county boards of education, and special districts to place advisory questions on the ballot, there is no explicit authorization, nor a statutory prohibition, for statewide advisory questions. Statewide advisory questions are uncommon.

Setting aside for purposes of this committee, however, the discussion regarding whether it is appropriate to place an advisory question on the statewide ballot, assuming the proposed question is placed on the ballot, would the results be meaningful? Probably not. Consider again the specific question:

“Shall the California Legislature disproportionately target low-income and middle class families with a regressive tax increase on gasoline and annual vehicle registrations to fund road maintenance and rehabilitation, rather than ending the diversion of existing transportation tax revenues for nontransportation purposes, investing surplus state revenue in transportation infrastructure, repaying funds borrowed from transportation accounts, prioritizing roads over high-speed rail, and eliminating waste at the Department of Transportation?”

The question is an either/or question: Should we raise taxes and fees or take five other specific measures to raise funds for transportation? The answer to addressing the transportation funding crisis, however, is not as straightforward as the question suggests.

As AB 1910 correctly identifies in the legislative findings and declarations, the Governor cited a \$5.7 billion annual shortfall in funding state highway maintenance and rehabilitation and a \$7.8 billion annual shortfall for maintaining local streets and roads. Unfortunately, neither one of the two options posed in the proposed question is likely to generate sufficient funds to adequately address this level of need. Of the several funding proposals currently pending in one form or another before the Legislature, only the proposals that include *both* an increase in gas taxes and vehicle fees *and* the other measures, such as returning borrowed funds to transportation, come close to addressing the level of need sufficiently.

If the Legislature decides that putting an advisory question on the ballot is a good idea, the question posed to the voters should have a high likelihood of rendering a useful answer. The question posed in AB 1910 does not seem to meet that threshold.

*Double-referral:* This bill will be referred to the Assembly Elections and Redistricting Committee should it pass out of this committee.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

None on file

##### **Opposition**

None on file

**Analysis Prepared by:** Janet Dawson / TRANS. / (916) 319-2093