



January 4, 2018

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To: CSAC Board of Directors

From: Kiana Valentine, CSAC Senior Legislative Representative
Chris Lee, CSAC Associate Legislative Representative

Re: **CSAC Position on SB 1 Repeal Ballot Initiative and ACA 5 – ACTION ITEM**

Recommendation. Consistent with CSAC Housing, Land Use, and Transportation Policy Committee action/recommendation, CSAC staff recommends that the CSAC Board of Directors take action to oppose the SB 1 repeal ballot initiative and support ACA 5.

Background. The Road Repair and Accountability Act of 2017 (SB 1) was passed by the Legislature and signed into law by the Governor in April 2017. The Legislature also passed an accompanying constitutional protection measure (ACA 5) to ensure the thirty-percent of revenues generated by SB 1 that are not already constitutionally protected are dedicated to transportation. ACA 5 will appear before voters on the June 2018 ballot. Over the next decade, SB 1 will provide approximately \$5 billion annually in revenue for local streets and roads, state highways and public transportation through the imposition of new and increased fuel and diesel taxes and improvement fees. From these revenue sources, approximately \$1.5 billion per year will be allocated by formula for county roads and city streets.

Unfortunately, there are efforts underway to repeal SB 1. The “Give Voters a Voice” campaign to repeal SB 1 is currently raising money for, and collecting signatures on, an initiative that would require the Legislature to put before the electorate approval of any gas, diesel, or vehicle related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. Since the 2017 Annual Meeting, the repeal effort has gained momentum raising significant amounts of new revenue and has reportedly met an early threshold of collecting 25-percent of required signatures to qualify the measure. As such, CSAC has been asked to engage in a more formal way against the SB 1 repeal effort as soon as possible. Specifically, the Fix Our Roads Coalition would like CSAC to serve a principal role on the campaign committee that has been formed to oppose the SB 1 repeal measure which, if qualifies, would be on the November 2018 ballot and support ACA 5 and secure its passage in June 2018.

CSAC does not typically take positions on ballot initiatives until measures qualify however, ACA 5 and the repeal of SB 1 are unique in that CSAC was a significant part of the effort to secure passage of a new transportation funding package pursuant to long-standing policy to support increased investment in transportation infrastructure. In order to serve on the campaign committee to protect county transportation funding and other critical investments, we need to move through our initiative policy-making process as soon as possible. CSAC policy and procedures related to ballot initiatives requires

that we go back through the policy-making process for a formal position despite our long-standing support for new funding for transportation. For the SB 1 repeal ballot initiative and ACA 5 this process includes action/recommendation by the HLT Policy Committee to the Executive Committee and Board of Directors, then the Executive Committee must take action and make a recommendation to the Board of Directors, and the Board of Directors takes final action to establish our position on the initiatives.

Policy Considerations. In recognition of the needs of the local street and road system, and the declining purchasing power of existing revenue streams counties rely on to maintain the county road system, CSAC has long-standing policy in support of new revenues for transportation. The CSAC Board of Directors took action to reaffirm support for new revenues for transportation back in 2012, and over the past three years has consistently supported CSAC's key involvement as a principal partner in the Fix Our Roads Coalition, which was founded in support of passage of a transportation funding package that ultimately resulted in SB 1 and ACA 5.

The HLT Policy Committee met on January 4 and took action recommending that the CSAC Executive Committee and Board of Directors oppose the SB 1 repeal initiative and support ACA 5.

The CSAC Executive Committee will take up this item prior to the CSAC Board of Directors meeting also scheduled on January 18.

Action Requested. Consistent with the CSAC HLT Policy Committee action/recommendation, CSAC staff requests that the CSAC Board of Directors take action in opposition to the SB 1 repeal ballot initiative and support for ACA 5.

Staff Contact. Please contact Kiana Valentine (kvalentine@counties.org or (916-650-8185) or Chris Lee (cleee@counties.org or (916-650-8180) for additional information.