

---

Date: November 19, 2013  
From: Will Kempton and James Earp  
To: All Interested Public and Private Transportation Entities and Colleagues  
cc: Chair and Members, Transportation California Board of Directors, Transportation Secretary Brian Kelly, Transportation Director Malcolm Dougherty, Chair and All Members, California Transportation Commission  
Subject: Decision to Request the Attorney General of California draft "Title and Summary" for a new "California Road Repairs Act"

---

Yesterday, on behalf of Transportation California and the California Alliance for Jobs, we jointly submitted a request for title and summary for a proposed constitutional amendment that would provide a new source of transportation funding to address the state's critical roadway and transit preservation fiscal crisis.

On November 5<sup>th</sup> the Transportation California Board of Directors authorized a collaboration to join with the California Alliance for Jobs to take this first serious step towards placing a new transportation funding measure on the November 2014 General Election ballot. Together, Transportation California and the Alliance for Jobs have worked diligently over the past 2 years on this effort, including substantial political survey research that has led us to this point of submitting initiative measure language.

We want to make it perfectly clear to everyone receiving this notification that Transportation California and the Alliance for Jobs, along with our coalition of interested parties, has NOT made a final decision to pursue such a measure in 2014. We are simply keeping our options open.

We intend to jointly take the necessary steps to make a final determination on whether our measure will have sufficient voter support to move forward in 2014. We anticipate that the official ballot label language will be available by the first week of January. Polling results on that language should be available to us by the end of the second week in January, and this, along with consultation with other interested parties, will determine whether we will move forward on this effort in 2014.

For your background, we have provided an overview summary of the language we have submitted along with a brief overview of the worsening transportation funding crisis we are confronting here in California.

Sincerely,



Will Kempton, Executive Director  
Transportation California  
1111 L Street  
Sacramento, CA 95814  
(916) 446-1280  
[wkempton@transportationca.com](mailto:wkempton@transportationca.com)



James Earp, Executive Director  
California Alliance for Jobs  
1415 L Street, Suite 1080  
Sacramento, CA 95814  
916-446-2259  
[jearp@rebuildca.org](mailto:jearp@rebuildca.org)

## **Our Transportation Funding Challenge**

California has a critical need to implement a new revenue measure that would support maintenance and rehabilitation of its state and local road and transit systems. This new revenue source should be independent of fossil fuel consumption, increase over time at a rate that is equal to or greater than inflation, and produce enough revenue to significantly reduce the huge backlog of unmet road, bridge and transit maintenance and rehabilitation costs.

After a great deal of technical, financial and voter opinion research over the last three years, Transportation California believes a 1% annual fee on the value of all motor vehicles to fund a new "California Road Repair Fund", best meets the current and future funding needs of California's road and transit systems as described in the previous paragraph.

### **California Road Repair Act: Program Summary**

- Assess an annual California Road Repair Fee on all vehicles, excluding heavy duty trucks (over 10,000 lbs.), equal to 1% of each vehicles' value in ¼% increments phased in over four years. The annual total estimate of revenue raised is estimated to be \$2.9 billion per year when the rate reaches 1% in 2018 or nearly \$25 billion over the first ten years. Heavy trucks will pay a fair share equivalent increase in the diesel tax, which they prefer to a vehicle fee based on "value".
- All new revenue raised must be used exclusively for road, bridge and transit system maintenance, rehabilitation and transit vehicle replacement only.
- The revenue would be allocated as follows:
  - 25% of all new revenue to all cities in California distributed on a formula allocation based on population.
  - 25% of all new revenue to all counties in California based on a formula allocation equal to 75% of fee-paying vehicle and 25% road miles.
  - 40% of all new revenue to the State Highway System based on a formula allocation of ½ allocated 60% to Southern California, 40% to Northern California, and ½ allocated on a "highest need" basis statewide.
  - 10% of all new revenue to public transit system maintenance, rehabilitation and vehicle replacement based on the current State Transit Assistance Program formula.
- This is a "pay as you go" proposition, with 100% of the new revenue going to the purposes enumerated above, not bondholders.
- All new funds raised in the Act would be constitutionally dedicated only for the purposes enumerated above and not available for reallocation or loan for any other purpose, without a new authorization by the voters.
- The Act will also incorporate several Taxpayer Safeguards to ensure that the funds are effectively managed and utilized in conformity with the voters understanding. These include a cap on administrative costs and a requirement for forthright progress reports and audits.