



Monterey County

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Board Report

Legistar File Number: 18-373

April 17, 2018

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Current Status: Consent Agenda

Matter Type: General Agenda Item

Adopt recommendations by the Legislative Committee to:

- a. Support Proposition 68 - California Drought, Water, Parks, Climate, Coastal Protection, & Outdoor Access For All Act of 2018 (June 2018 ballot); and
- b. Adopt a resolution in support of Proposition 69 - SB 1 Revenue Protection (June 2018 ballot) and opposing all future SB 1 repeal efforts.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt recommendations by the Legislative Committee to:

- 1) Support Proposition 68 - California Drought, Water, Parks, Climate, Coastal Protection, & Outdoor Access For All Act of 2018 (June 2018 ballot); and
- 2) Adopt a resolution in support of Proposition 69 - SB 1 Revenue Protection (June 2018 ballot) and opposing all future SB 1 repeal efforts.

SUMMARY

On March 12, 2018, the Legislative Committee reviewed two ballot initiatives which will appear on the June 5, 2018 ballot, Proposition 68 and Proposition 69, and recommends that the Board of Supervisors "support" these initiatives. The Committee also recommends that the Board "oppose" all future efforts to repeal SB 1. And, the Committee recommends that the Board adopt a resolution in support of Proposition 69 and opposition to all future SB 1 repeal efforts as requested by the California State Association of Counties (CSAC).

DISCUSSION

Proposition 68 - California Drought, Water, Parks, Climate, Coastal Protection, & Outdoor Access For All Act of 2018 (SB 5 - Chapter 852, Statutes of 2017) - June 5, 2018 ballot - SUPPORT

Proposition 68 will authorize the issuance of \$4 billion in general obligation bonds for parks, environmental protection, and water infrastructure. Monterey County was actively engaged in the legislative process which led to the passage of SB 5, working with the author and County legislative delegation to provide information on possible County projects which potentially could qualify for

funding if the bond passes. If the bond passes the County will continue to engage with the State granting agencies during the development of the grant guidelines in order to further the County's ability to be competitive in the grant funding process. **EXHIBIT A** - Proposition 68 overview by the California Legislative Analyst's Office.

Proposition 69 - SB 1 Revenue Protection (ACA 5 - Chapter 30, Statutes of 2017) - June 5, 2018 ballot - SUPPORT

Proposition 69 would extend the existing constitutional protections that ensure fuel tax revenues are spent on transportation to the approximately 40% of revenues generated by SB 1 that aren't currently protected. This measure would apply to recently enacted fuel taxes and vehicle fees, and would require the spending on transportation purposes such as repairing roads and improving transit.

EXHIBIT B - Proposition 69 overview by the California Legislative Analyst's Office.

SB 1 Transportation Funding and Reform Repeal Efforts - Potentially November 2018 ballot - OPPOSE

There are currently efforts underway to repeal SB 1 - the Road Repair and Accountability Act of 2017, which was passed by the Legislature and signed into law by the Governor in April 2017. The "Give Voters a Voice" campaign to repeal SB 1 is currently collecting signatures on a constitutional amendment 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. 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 in new funding will be allocated by formula for county roads and city streets.

The California State Association of Counties (CSAC) has provided a 10-year estimate of SB 1, which shows Monterey County receiving an estimated \$118.7 million in funding between FY 2017-18 and FY 2026-27 (FY 17-18 \$2.5M; FY 18-19 \$7.8M; FY 19-20 \$10.7M; FY 20-21 \$12.1M; FY 21-22 \$12.8M; FY 22-23 \$13.4M; FY 23-24 \$13.9M; FY 24-25 \$14.6M; FY 25-26 \$15.2M; FY 26-27 \$15.8M).

EXHIBIT C - California State Association of Counties (CSAC) SB 1 Frequently Asked Questions and Answers.

The California State Association of Counties (CSAC) requests that all California counties adopt resolutions in support of Proposition 69 and opposition to all future efforts to repeal SB 1. The CSAC Board of Directors took these same actions in January 2018. **EXHIBIT D - Resolution**

OTHER AGENCY INVOLVEMENT

The CAO-Intergovernmental & Legislative Affairs Division prepared this report with information provided by the County's state legislative advocates (Nossaman LLP), the California State Association of Counties (CSAC) and the California Legislative Analyst's Office (LAO).

FINANCING

Approval of the recommendations included in this report will not result in additional General Fund contributions. If approved, Proposition 68 could provide funding opportunities for County projects. Passage of Proposition 69 will protect County SB 1 revenues. If SB 1 is repealed it will have a substantial negative impact of County funding for roads.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

The ballot initiatives included in this report focus on transportation, water, parks, climate, coastal protection, and outdoor access for all. Planning and developing related infrastructure improves the local economy, health, safety, and quality of life for County residents and visitors.

Mark a check to the related Board of Supervisors Strategic Initiatives

X Economic Development

X Administration

X Health & Human Services

X Infrastructure

X Public Safety

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Approved by: Nicholas E. Chiulos, Assistant CAO

Nicholas E. Chiulos, Assistant County Administrative Officer

Date

Attachments are on file with the Clerk of the Board

March 28, 2018

Attachments:

- **EXHIBIT A** - Proposition 68 overview by the California Legislative Analyst's Office.
- **EXHIBIT B** - Proposition 69 overview by the California Legislative Analyst's Office.

- **EXHIBIT C** - California State Association of Counties (CSAC) SB 1 Frequently Asked Questions and Answers.
- **EXHIBIT D** - Resolution