



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5a

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Memorandum

TO: Legislation Committee

DATE: May 6, 2011

FR: Executive Director

W. I. 1131

RE: AB 1086 (Wieczowski) — Alameda County Sales Tax: Temporary Exception to Two Percent Cap

Background

AB 1086 would grant Alameda County a one-time exception to the two percent cap on local sales taxes for the purpose of placing a transportation sales tax on the November 2012 ballot. The exception is limited to the 2012 election.

Recommendation: Support

Discussion

This bill is sponsored by the Alameda County Transportation Commission (Alameda CTC). While the county’s current sales tax measure, approved in 2000 by 81 percent voter support, doesn’t expire until 2022, approximately 95 percent of the projects that were identified in that measure have been constructed, necessitating the development and approval of a new transportation expenditure plan and an extension of the tax.

Considering the significant funding shortfalls facing transportation and the lack of political support for raising new revenue at the state or federal levels, ACTC is considering not just renewing, but also augmenting its current sales tax from 0.5 percent to 1.0 percent. While the countywide rate includes room for an additional 0.5 percent sales tax, the cities of San Leandro and Union City recently enacted citywide sales tax measures that would prevent a countywide sales tax for transportation of 1.0 percent because the overall local sales tax rate in those cities would then exceed the two percent cap for “local taxes.”

A recent poll conducted by ACTC found that over 73 percent of voters might support another transportation sales tax in Alameda County. Considering the potential this bill offers to help fund critical transportation projects, we recommend a support position on AB 1086.

Known Positions

Support

Alameda County Transportation Commission
(sponsor)

Oppose

CalTax
Howard Jarvis Taxpayers Association

Steve Heminger