



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3b

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: January 4, 2013

FR: Executive Director

W. I. 1131

RE: SCA 4 (Liu): Vote Threshold for Transportation Taxes

Background

SCA 4 by Senator Carol Liu changes the voter-approval requirement for special transportation taxes proposed by a local government from two-thirds to 55 percent — the same vote threshold required for educational bonds since 2004 when voters approved a special allowance for them. While MTC has supported legislative efforts to seek voter approval to lower the vote threshold for transportation taxes, with Democrats now controlling two-thirds of the seats in both houses, 2013 is the first year that the proposal has some real potential to pass the Legislature and be placed on the ballot.

Discussion

Since the California Supreme Court ruling in *Santa Clara County Local Transportation Authority v. Guardino* in 1995, transportation agencies have been subject to a two-thirds voter approval requirement whenever they seek to increase or extend a special transportation tax. While eight of the region's counties have managed to pass transportation sales taxes, and BART and AC Transit have enacted parcel taxes to support their systems, the two-thirds vote has eluded Solano County on several occasions and certainly limits the prospects for new transportation taxes in *any* Bay Area county. In the case of Solano County, 60 percent of voters supported the sales tax proposal in 2002 and another 64 percent in 2004. Most recently, the Bay Area witnessed a razor thin defeat in November 2012 with Alameda County's Measure B receiving support by 66.53 percent of Alameda County voters — short of passage by a mere 0.14 percent of the electorate. Los Angeles County experienced a similar defeat in November, with a proposal to extend their measure falling just 2 percentage points shy of the 66.7 percent required.

Making matters even more challenging, passage of Proposition 26 in 2010 applies the two-thirds vote requirement to virtually all forms of transportation revenue that might be pursued at the local level by broadening the definition of a tax. As such, revenue options that were enacted within the last several years under a simple majority vote, such as vehicle registration fees, now require a two-thirds vote for passage. With state and federal funds representing a dwindling share of transportation revenue, this hurdle only exacerbates the funding shortfalls that undermine the Bay Area's efforts to restore our transportation system to a state of good repair and implement our sustainable communities strategy.

Under the California Constitution, MTC falls under the definition of a local government. This means that SCA 4 would also lower the vote threshold for a regional gas tax, should MTC choose to exercise existing authority to place such a measure on the ballot.

We recommend that we indicate our strong support for Senator Liu’s effort with an early endorsement of SCA 4. We also recommend seeking an amendment to this legislation to establish the voting threshold at 50 percent plus one vote — which would restore true majority rule to the transportation initiative funding process.

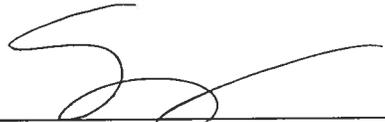
Known Positions

Support

None on file

Oppose

None on file



Steve Heminger