

Council Meeting of
March 7, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: Adopt Resolution in Support of a Measure to Secure Local
Transportation Funding**

RECOMMENDATION

Recommendation of the City Manager that City Council adopt a **RESOLUTION** supporting a measure to secure local transportation funding.

Funding

N/A

BACKGROUND

In 2002 approximately 70% of California voters passed Proposition 42. This measure dedicated existing state sales tax on gasoline to fund transportation projects such as congestion relief, road repairs, transit projects, etc.

As written, Proposition 42 includes a provision that allows the Legislature and Governor to divert these funds to non-transportation expenses. As such, the State used this provision in two out of the last three budget years to fund other state needs. Thus, nearly \$2.5 billion in gasoline sales tax has been diverted to non-transportation expenses since 2002. The diversion of these funds has required state and local agencies to delay or stop safety improvements, congestion relief projects, road repairs and other pressing transportation needs.

ANALYSIS

Once Proposition 42 was passed, the City had anticipated receiving approximately \$600,000, but did not receive any funds due to the State diverting the gasoline sales tax funds to other programs.

In an unanticipated move, the Governor and the Legislature fully dedicated Proposition 42 funding to transportation in the current fiscal year and propose to do the same next year. However, continued funding is not guaranteed.

Due to the uncertainty of the funding, the League of California Cities along with businesses, industry and local agencies, is drafting an initiative for the November 2006 ballot which, if passed by the voters, would prevent the Governor and the Legislature from diverting future gasoline sales tax funds to non-transportation programs.

The passage of the initiative would provide a stable funding source for state and local agencies responsible for transportation improvements and allow them to fix hazardous intersections, complete road repairs, improve older roads, etc.

In addition to creating a stable funding source, the measure would require the State to reimburse the \$2.5 billion in transportation funds previously diverted. The State would be allowed ten years to repay these funds to avoid any immediate fiscal impact on the budget.

It is felt that the City would benefit from the passage of this measure, and therefore it is recommended that the Council adopt the attached Resolution supporting the League of California's efforts to qualify a ballot measure to ensure state gasoline sales tax funds are used strictly for transportation projects.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Olivia Lopez
Senior Management Associate

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Resolution

RESOLUTION NO. 2006-____

**A RESOLUTION BY THE TORRANCE CITY COUNCIL IN SUPPORT OF A BALLOT
MEASURE TO SECURE LOCAL TRANSPORTATION FUNDING**

WHEREAS, the City of Torrance engages in periodic capital improvement assessments and planning relating to the condition of its transportation infrastructure; and

WHEREAS, the City is concerned that it is not able to maintain its transportation infrastructure consistent with public works best practices because of limited funding availability; and

WHEREAS, constraints on the City's ability to fully fund local transportation infrastructure projects adversely affect residents, visitors, and businesses within the City; and

WHEREAS, the City had anticipated receiving monies for this purpose as the result of Proposition 42, approved by the state's voters in March 2002, which dedicated the state sales tax paid on gasoline to state and local transportation infrastructure projects and programs; and

WHEREAS, Proposition 42 contains a provision that allows the state to transfer the sales tax on gasoline to non-transportation state purposes during times of fiscal need; and

WHEREAS, as a result some \$2.5 billion in Proposition 42 monies has been spent over the past three years for non-transportation purposes; and

WHEREAS, a measure is being circulated to qualify as a constitutional amendment for the November 2006 ballot that would ensure that future revenues raised by Proposition 42 are dedicated to state and local transportation projects only; and

WHEREAS, the measure also requires the state to reimburse the \$2.5 billion in funds previously spent on non-transportation expenses to be repaid in 10 years; and

WHEREAS, ensuring that Proposition 42 revenues are used solely for transportation projects, along with reimbursement of prior revenues, will greatly assist the City of Torrance in meeting its street maintenance obligations to the benefits of its residents, visitors and businesses.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF TORRANCE does hereby supports a constitutional amendment to ensure that Proposition 42 revenues are used exclusively for state and local transportation projects, and that revenues previously used to offset non-transportation purposes be reimbursed.

Introduced, approved and adopted this 7th day of March, 2006.

Mayor Dan Walker

APPROVED AS TO FORM:
JOHN FELLOWS III, City Attorney

ATTEST:

by _____
Ronald T. Pohl, Assistant City Attorney

Sue Herbers, CMC
City Clerk

