

# Agenda Report

**TO:** City Council March 21, 2000  
**THROUGH:** Legislative Committee  
**FROM:** City Manager  
**SUBJECT:** Support for Assembly Bill 1303 (Florez) – *Highways: Local Projects Funding*

## **RECOMMENDATION**

It is recommended that the City Council support Assembly Bill 1303 and authorize the Mayor to send letters to the appropriate authorities stating Pasadena's position.

## **BACKGROUND**

On February 26, 1999, Assemblyman Florez introduced AB 1303, *Highways: Local Project Funding*. This bill serves to clarify and enhance the *Streets and Highway Code*.

The SR 8 (Burton) report completed by the California Transportation Commission in 1999 identified \$11 billion in unmet needs on the State's city street and county road system. The report found that this need would grow by \$400 million a year, if new revenue were not directed to this critical system.

The primary revenue source for preserving city streets and county roads is the "local subvention" or the portion of the gas tax that is allocated directly to cities and counties, which is currently equivalent to 6.46 cents of the total 18 cent State gas tax.

This bill would provide equity in the distribution of the public's gas tax. Historically, cities and counties shared equally in the state gas tax. However, in 1990, the tax increased nine cents and only 2.07 cents was directed to cities and counties.

Assembly Bill 1303 would specifically:

- (1) Return equity to the distribution of the 18 cent gas tax by shifting an additional ½ cent of the current gas tax each year until an additional 2.5 cents is permanently distributed to cities and counties;

- (2) Appropriate \$300,000 for a new division within Caltrans with the responsibility for collecting and accessing data on local road and highway conditions and integrating that data into state transportation plans.

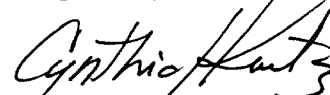
Assembly Bill 1303 will hold harmless the impact of this shift on the State Highway Account by shifting monies from the State's General Fund surplus.

The League of California Cities supports this bill because of its overall benefit to cities. On March 1, 2000, Assembly Bill 1303 was amended re-referred to the Senate Committee on Transportation.

**FISCAL IMPACT:**

Passage of this bill would provide additional transportation revenue directly to Pasadena and all other cities and counties in the state. Pasadena currently receives approximately \$2.5 million of Gas Tax per year. The proposed legislation will increase Pasadena's amount by approximately \$200,000 per year for five years reaching a new peak of just over \$3.5 million per year.

Respectfully submitted,



CYNTHIA J. KURTZ

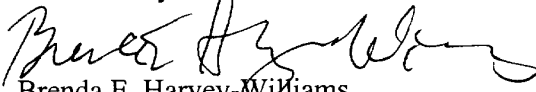
City Manager

Prepared by:



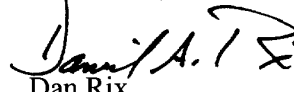
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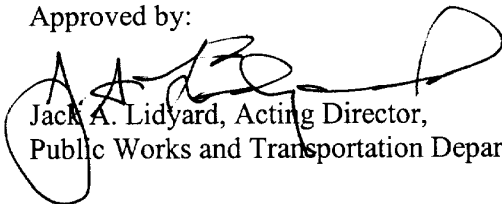
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City Engineer  
Public Works and Transportation Department

Approved by:



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