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## **BEALL'S SB 16 PAVES THE WAY FOR CALIFORNIA'S FUTURE**

SACRAMENTO – A plan to restore California’s crumbling roads and bridges infrastructure to make them durable and safe for the 21<sup>st</sup> century was unveiled Wednesday by Sen. Jim Beall, chairman of the Senate transportation committee.

“Senate Bill 16 solves a crisis that threatens our deteriorating streets and highways,” Beall said. “California faces a \$59 billion backlog in deferred maintenance that will grow by billions every year. Our cities and counties have a backlog of \$40 billion in repairs. We must take action now.

“SB 16 will provide more resources for the state to repair the infrastructure under its jurisdiction and it also distributes millions to the local level. Counties and cities will get much-needed revenues to fix their roads.”

The state’s failure to keep pace with repairs is due to several factors, including the diversion of road maintenance revenues for other uses and the failure of the gas tax revenue, a key source of funding for repairs, to keep pace with the mounting maintenance costs. The gas tax revenue has dwindled over the years due to the proliferation of fuel-efficient vehicles and all-electric cars, which do not contribute to the gas tax. The tax also has not been adjusted for inflation since 1994.

Under SB 16 everyone who uses the roads will share in paying for the cost of these essential repairs. The bill is projected to raise \$3 billion or more annually over its five-year life, which allows time for the state to work out a long-term funding solution.

The bill proposes to take the truck weight fee, which raises about \$1 billion a year, from the general fund and return it to its intended purpose: mitigating the damage to roads caused by heavy commercial trucks. The per gallon excise fuel tax would be increased by 10 cents to make up for the decline in value lost to inflation. The vehicle license fee would be increased by 0.07

percent annually over five years. The vehicle registration fee would be increased by \$35. Zero-emission vehicles would be subject to an annual \$100 fee.

The bill also guarantees that the revenue will be used exclusively for road, street, bridge repairs, and improving freight mobility at ports.

Besides funding repairs for state roads, the bill also sets aside money for counties and cities to each get a share for local street and road repairs. Here is a breakdown of the projected first-year distribution for some counties and cities:

- Alameda County: \$21.2 million. Cities within the county would share an additional \$26.5 million, which includes \$8.7 million for Oakland.
- Contra Costa County, \$16.4 million; cities, \$18.8 million.
- Fresno County, \$20.5 million; cities, \$16.2 million, including \$10.4 million for the city of Fresno.
- Los Angeles, \$126 million; cities \$191 million, including \$83 million for the city of Los Angeles.
- Orange County, \$41 million; cities, \$62.5 million, including \$7.2 million for Santa Ana.
- Sacramento County, \$24.9 million; cities, \$18.3 million, including \$9.8 million for Sacramento.
- San Francisco, \$27.3 million.
- Santa Clara, \$26 million; cities, \$36.6 million, including \$20.7 million for San Jose.
- San Diego County, \$24.9 million; cities, \$55.9 million, including \$27.9 million for the city of San Diego.
- Shasta County, \$6.3 million; cities, \$2.2 million, including \$1.8 million for the city of Redding.

The bill is the result of four Transportation Committee hearings that were held up and down California that received testimony from local government officials, transportation experts, businesses, and the public. Among those speaking out in support of SB 16 are:

**Sam Liccardo, Mayor of San Jose:** “San Jose has over 2,400 lane miles of streets and nearly two-thirds of them are at the point where they may require expensive repairs. Under SB 16, San Jose will be eligible for \$20.7 million to help fund the repairs and repaving of our streets to make them smoother and safer for all of us. I support SB 16 because it will improve the quality of life for the people of San Jose.”

**Ed Lee, Mayor of San Francisco:** “Roads and highways across California are in varying stages of disrepair as the result of decades of use and underinvestment, and Senator Jim Beall’s forward-looking legislation will tackle these deficiencies head-on by creating a temporary and necessary funding plan to address the backlog of maintenance needs in both the State and local transportation systems. By implementing small, targeted revenue increases, the proposal will generate billions of dollars of needed funding for the preservation and improvement of our essential transportation infrastructure and also acknowledges the shared challenges at all levels of government by allocating equally between the State and cities and counties. I applaud Senator Beall’s leadership on transportation, and look forward to its support by the State legislature.”

**Stephany Aguilar, President of the League of California Cities and Scotts Valley City Council Member:** "We put our economic future and public safety at risk by failing to adequately maintain our existing system of streets, roads, and highways. Many of our city streets are on the verge of failing, and without increased investment their condition will rapidly decline. With a focus on preservation and maintenance of the existing system, Senator Beall's proposal will make important strides in preventing such losses in these critical public assets. That's a goal we can all agree on."

**R.J. Cervantes, California Trucking Association Director of Legislative:** “Millions of Californians depend solely on the trucking industry to safely and efficiently deliver vital goods to their homes. The health of our economy, businesses, and communities rely on well-maintained roads. California truckers are committed to partnering with all stakeholders to immediately address the state’s infrastructure crisis.”

**Vito Chiesa, California State Association of Counties President and Stanislaus County Supervisor:** “Safe, well-maintained roads and bridges are critical to our economy, public safety and quality of life. But California’s current system of generating revenue for road maintenance doesn’t keep up with inflation and doesn’t apply equally to everybody who uses our roads and bridges. Senator Beall’s legislation addresses the critical short-term need for new revenue so we can avoid further deterioration and higher costs to taxpayers, while we continue the conversation about a comprehensive solution to fund our transportation systems for the long run.”

**Jim Earp, Executive Consultant, California Alliance for Jobs:** "California's crumbling streets, roads and highways pose a huge threat to our economy and the quality of our lives. Senator Beall proposes to generate a reliable stream of revenue that will enable the state and local government to tackle the most serious deficiencies in our system and put protections in place to ensure the funds are used for their intended purpose. The California Alliance for Jobs strongly supports Senator Beall's proposal and is committed to working diligently with all members of the Legislature to address this serious issue."

**Robbie Hunter, President, State Building and Construction Trades Council:** “This proposal effectively addresses California’s glaring need to build and maintain our transportation system. It

is precisely the type of specific, broad-based, guaranteed revenue plan that is necessary to fund these crucial upgrades. Growing our economy depends on the ability to efficiently move goods and people throughout the state. Investing in transportation is an absolutely necessary answer to that demand, and will also create thousands of good new construction jobs. This proposal is win-win for all Californians.”

**Tom Holsman, Chief Executive Officer of the Associated General Contractors of California:** “With nearly all Proposition 1B bond revenues expended and gas tax revenues on a steady decline, California is facing a crisis in funding transportation at both the state and local levels. Much of the state’s transportation infrastructure is aging and needs to be renovated in order to operate efficiently and safely. Senator Beall’s transportation package provides critical funding for infrastructure improvements for our aging highway and road system.”

**Mark Watt, Transportation California Interim Executive Director:** “Transportation California, a coalition of the construction industry and allied labor, commends Senator Beall for moving forward on the introduction of a balanced new approach to meet California’s highway and roadway preservation and maintenance funding needs. We all understand that California is facing a critical moment in time when we must act to address our backlog of deteriorating streets and roads. To not act now will simply push the costs to repair and restore our roads higher.

“By bringing together several revenue sources into a single funding package, we believe it will mitigate the effect on individual taxpayers. While the need is great, it is important to provide a solution that is fair and provides motorists with choices while meeting the challenge to provide a much-needed injection of roadway repair funding.”