

Proposition 42: A Vital Source of Transportation Revenue

Background In 2000, the Transportation Congestion Relief Program (TCRP) was implemented in California. Under this program, the sales tax revenues on gasoline are used to fund improvements to California's highways, streets and roads, and transit systems. TCRP projects were to receive an estimated \$4.9 billion between 2003 and 2008.

What did Proposition 42 do? Proposition 42, which was approved by 69% of California voters on the March 2002 statewide ballot, required that the revenue from the sales tax on gas would *permanently* go to transportation programs, thereby extending the life of the TCRP indefinitely.

What does Proposition 42 fund? Proposition 42 provides over \$1.2 billion for transportation projects in California. The first \$678 million is dedicated to a suite of 141 specific highway and transit projects. Any remaining funds generated through the sales tax on gas are divided between capital projects (40%); local streets and road maintenance, rehabilitation and reconstruction (40%); and public transit (20%).

What's happening now? The Governor unveiled his revision to the state budget on May 14, 2003. Transportation programs were hard hit, as the Governor proposed to divert nearly \$1 billion of Proposition 42 sales tax revenue. Legislators are now discussing how much transportation money they are willing to divert to the General Fund. The current proposal would be devastating to all Californians—with deep funding cuts to road building, clean fuel bus purchases, and light rail extensions.

State lawmakers are trying to circumvent the will of the voters by taking the gasoline sales tax revenue and spending it on unrelated programs.

If these efforts are successful, critical transportation projects in communities around the state may not be completed—projects needed now more than ever to alleviate congestion, improve air quality and keep California moving forward in uncertain economic times.

Some members of the Legislature have been working closely with several transportation-related organizations to develop an alternative proposal. This new proposal would also postpone funding for some Proposition 42 projects in order to help with the budget crisis, but would seek to retain as much money as possible for transportation programs.

What can you do? Tell your state legislator that California voters passed Proposition 42 for specific reasons: to get traffic and goods moving again, to get our kids to school, to relieve congested commutes, to improve air quality, and to revitalize California's economy.

For more information contact Janet Hendrickson at (916) 448-1687 x303

Critical Transit Projects Threatened in Latest State Budget Proposal Include:

400 low emissions buses in Los Angeles that would provide needed relief to the region's air quality problems and basic transportation access for low-income communities to jobs, health care and education.

Expansion of badly needed regional bus service in the Bay Area—one of the most congested regions in the country.

Clean air and transportation programs in several counties of the Central Valley—including programs to reduce heavy duty vehicle emissions and provide clean fuel buses in Sacramento San Joaquin, and Fresno—regions facing severe cuts in federal funding for air quality non-attainment.

The "Baby Bullet" rail project connecting San Francisco and San Jose—a project considered a precursor to the California High-Speed Rail Project, utilizing some of the same technology.

Popular light rail extensions such as the Sacramento South Line to Elk Grove and the Los Angeles Gold Line.

California Alliance for
Transportation Choices

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