

Tax, Fee Hike Would Fund \$52B Plan to Fix California Roads

California's governor and legislative leaders want to raise \$52 billion to fix roads through a big increase in the gas tax.

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Calif., Gov. Jerry Brown, second from right, answers a questions concerning a plan to raise \$52 billion to fix California roads, during a news conference Wednesday, March 29, 2017, in Sacramento, Calif. The 10-year plan would boost the gasoline excise tax by 12 cents a gallon along with higher registration fees and a \$100 charge on emission-free vehicles. Brown was flanked by Assembly Speaker Anthony Rendon, D-Paramount, third from left, and Senate President Pro Tem Kevin de Leon, D-Los Angeles, right as well as other lawmakers, and supporters of the plan.(AP Photo/Rich Pedroncelli) The Associated Press

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By DON THOMPSON and SOPHIA BOLLAG, Associated Press

SACRAMENTO, Calif. (AP) — California's governor and legislative leaders on Wednesday proposed raising \$52 billion to fix the state's roads through a big gasoline tax increase, higher car registration fees and a charge on emission-free vehicles.

The 10-year plan would boost gasoline excise taxes for the first time in more than two decades, raising them 12 cents per gallon — a 43 percent increase. The tax would rise automatically with inflation.

For the first time, owners of zero emission vehicles would pay a \$100 annual fee because they use public roads but don't pay gasoline taxes that fund highway maintenance.

The plan also includes a sliding fee on vehicles, with owners of cheaper vehicles paying less. The fee, separate from annual vehicle registration fees, would range from \$25 a year for vehicles worth less than \$5,000 to \$175 for cars worth \$60,000 and up.

Gov. Jerry Brown said the plan would cost most drivers less than \$10 per month and would be offset by reduced vehicle-repair expenses. The governor and Democratic legislative leaders hope to rush it through the Legislature next week.

"Yes, it costs money. And if the roof in your house is leaking, you better fix it, because it gets worse all the time," Brown said at a Capitol news conference. "This is mostly about fixing what we already have. If for some reason people try to fight this, and God help us if they were successful, they won't defeat this, they'll just delay it and make the expenses go up."

The proposal aims to address a \$59 billion backlog in deferred maintenance on state highways and \$78 billion on local streets and roads.

It includes a constitutional amendment requiring that the money be spent only on transportation projects, and it would create an inspector general to make sure money isn't misspent.

Critics have long complained that money raised by transportation taxes has been siphoned off for other uses, something the constitutional amendment is designed to prevent. Republican lawmakers renewed that objection, arguing that California already collects enough money with some of the highest gas taxes in the country but spends it on the wrong projects.

"Californians deserve better," Assembly Republican Leader Chad Mayes of Yucca Valley told reporters after the Democrats unveiled their plan. "The state government has mismanaged our transportation system now for decades and the only answer, the only response to that, is that the Democrats — the ruling party here in California — want to raise taxes."

Brown announced the proposal alongside Assembly Speaker Anthony Rendon and Senate President Pro Tem Kevin de Leon, both Democrats. Brown said the success of the proposal isn't guaranteed but expressed confidence it would pass.

It's the third time Brown has attempted to address the multibillion-dollar backlog in transportation repairs and upgrades through tax increases. His previous plans and others calling

for tax increases have repeatedly stalled in the Legislature, with Republicans and moderate Democrats reluctant to back the higher taxes.

Democrats control enough seats for the proposal to pass the Assembly and Senate with the two-thirds majority required for tax increases. Brown will need nearly all of them unless he can pick up support from Republicans.

A number of Assembly Democrats eked out wins in the November election and could be vulnerable in the next campaign if they vote to raise taxes. Moderate Democrats, many from inland districts where voters are generally poorer and face long commutes to work, may be concerned about raising gas prices.

Members of the Fix Our Roads Coalition, a group representing business, labor and local government interests lobbying for a transportation funding deal, said they supported the plan unveiled Wednesday.

"We understand the next few days will be critical and legislators should rest assured that members of the Fix Our Roads coalition support this package, and we will stand behind legislators who vote for it," Virginia Bass, a Humboldt County Supervisor and a member of the coalition, said in a statement.

Jon Coupal, president of the Howard Jarvis Taxpayers Association, said the state has plenty of money that could be redirected to transportation funding without raising more money from residents who already pay some of the nation's highest state-level taxes.

He suggested redirected money from high-speed rail and reducing staffing at the state transportation department, among other sources.

"It is unnecessary and insulting to the taxpayers of the state of California," Coupal said. "There is so much money sloshing around in California that could pay for this, we don't need another tax."

Associated Press writer Jonathan J. Cooper contributed to this story.

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