

STOP THE GAS TAX RAID

JOINT COALITION LETTER TO MEMBERS OF THE LEGISLATURE

California Alliance for Jobs
California Transit Association
Transportation California
California Chamber of Commerce
California Business Properties
Association
AGC California
California-Nevada Conference of
Operating Engineers
Northern California Carpenters
California State Association of
Counties
California Building Industry
Association
Coalition for Clean Air
Professional Engineers in
California Government
League of California Cities
Engineering & Utility Contractors
Association
Infrastructure and Delivery Council
Bay Area Council
Orange County Business Council
Construction Industry Air Quality
Coalition
Bay Area Rapid Transit (BART)
AC Transit
American Council of Engineering
Companies, California
Southern California Contractors
Association
Valley Industry and Commerce
Association (VICA)
Associated General Contractors of
America, San Diego Chapter
Automobile Club of Southern
California
AAA Northern California
Engineering & General
Contractors Association
California Association of Councils
of Governments
San Diego North Economic
Development Council
Self-Help Counties Coalition
Contra Costa Council
Project Design Consultants
California Construction and
Industrial Materials Assoc.
Granite Construction
City/County Association of
Governments of San Mateo
County
Sonoma County Transportation
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Santa Clara Valley Transportation
Authority
Washington Division of URS
Sacramento Transportation
Authority
Santa Barbara County Association
of Governments
C.C. Myers, Inc.
Teichert Construction
Imperial Valley Association of
Governments
Transportation Authority of Marin
DeSilva Gates Construction

July 15, 2008

California Legislature
State Capitol
Sacramento, CA 95814

Re: Raiding Prop. 42 Gas Taxes to Close the Budget Gap is Fiscally Irresponsible

Dear Senators and Assemblymembers:

We fully understand the difficulty of negotiating the state budget this year and recognize closing the budget deficit will require some very tough choices. However, we urge you to reject any proposals that would borrow the state sales tax on gasoline (Prop. 42 funds) to fill the budget void. Besides being fiscally irresponsible, borrowing Prop. 42 funds is an affront to the voters of California who have twice overwhelmingly voted to protect these funds for transportation. Raiding these funds would cause irreparable harm to our state and local transportation systems and economies.

- **Borrowing gas tax funds that must be repaid in three years is no way to fix a structural deficit. It only papers over the problem, plunges the state further into debt and increases costs to the state.** Since Prop. 1A requires funds to be repaid within three years with interest, borrowing gas tax funds only “papers over” the budget deficit, digging our state deeper in the hole, increasing borrowing costs to the state and delaying real solutions.
- **Raiding transportation and transit funding breaks faith with 77% of voters who passed Prop. 1A in 2006.** With Prop. 42 in 2002 and again with Prop. 1A in 2006, California voters have made it abundantly clear that they do not want the state raiding funds intended for transportation and transit improvements. We cannot keep violating the voters’ will.
- **Cutting transportation and transit funding now will mean the death of many high priority projects.** California has a significant backlog of transportation and transit improvement projects that rely upon multiple pots of money. Without the gas tax funds, many existing projects will be delayed or killed altogether, and many projects will never get off the drawing board (examples attached). The longer we wait on these transportation projects, the more costly they become.
- **Raiding transportation and transit funds will eliminate thousands of jobs and stall economic growth at the worst possible time.** One of the fundamental purposes of Prop. 1A and 1B in November 2006 was to use the money to smooth out the peaks and valleys of the economic cycle. At a time when housing construction is sagging, infrastructure projects are creating jobs in a sector that sorely needs them. Raiding transportation funds will further destroy an already struggling industry and severely hamper any hope of an economic recovery.

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Again, we recognize the difficult choices facing lawmakers. But raiding these transportation funds is a fiscally irresponsible decision that will only make the budget situation worse in out years, hurt our economy and transportation network, and break faith with the voters. We urge you to reject any proposals that would borrow Prop. 42 funding.

Sincerely,

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