



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution in Support of a Constitutional Amendment to Ensure that Proposition 42 Revenues are Used Exclusively for State and Local Transportation Projects, and that Revenues Previously Used to Offset Non-transportation Purposes are Reimbursed

MEETING DATE: April 19, 2006

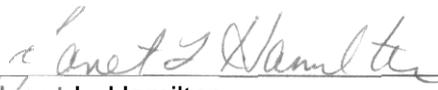
PREPARED BY: Management Analyst, City Manager's Office

RECOMMENDED ACTION: Adopt resolution in support of a constitutional amendment to ensure that Proposition 42 revenues are used exclusively for state and local transportation projects, and that revenues previously used to offset non-transportation purposes be reimbursed.

BACKGROUND INFORMATION: In 2002, 69 percent of voters approved Proposition 42, a Traffic Congestion Relief Measure that dedicated the sales tax on gasoline to transportation programs. Funds were to be allocated on a 40/40/20 split, with 40 percent available to cities and counties for street and road maintenance; 40 percent to the State Transportation Improvement Projects; and 20 percent to transit systems. Proposition 42 allows these funds to be transferred to the state general fund and appropriated for non-transportation purposes during times when the state is in fiscal difficulty. The funds have been transferred to the state general fund in each of the last two fiscal years since Proposition 42 passed, resulting in a diversion of \$2.5 billion from local street improvement to the state's general fund for non-transportation purposes.

As a result, a measure is being circulated to qualify a constitutional amendment for the November 2006 ballot that would ensure that future revenues raised by Proposition 42 are dedicated to state and local transportation projects only. The measure also requires the state to reimburse the \$2.5 billion in funds previously spent on non-transportation expenses to be repaid in ten years. Ensuring that Proposition 42 revenues are used solely for transportation projects, along with the reimbursement of prior revenues, will greatly assist the City of Lodi in meeting its street maintenance obligations to the benefits of its residents, visitors, and businesses.

FISCAL IMPACT: Estimated Proposition 42 revenue for the City of Lodi for FY 05/06 is \$252,000.


Janet L. Hamilton
Management Analyst

APPROVED:  7
Blair King, City Manager

RESOLUTION NO. 2006-67

A RESOLUTION OF THE LODI CITY COUNCIL IN SUPPORT OF A
CONSTITUTIONAL AMENDMENT TO ENSURE THAT PROPOSITION 42
REVENUES ARE USED EXCLUSIVELY FOR STATE AND LOCAL
TRANSPORTATION PROJECTS AND THAT REVENUES PREVIOUSLY
USED TO OFFSET NON-TRANSPORTATION PURPOSES ARE REIMBURSED

WHEREAS, the City of Lodi engages in periodic capital improvement assessments and planning relating to the condition of its transportation infrastructure; and

WHEREAS, the City is concerned that it is not able to maintain its transportation infrastructure consistent with public works best practices because of limited funding availability; and

WHEREAS, constraints on the City's ability to fully fund local transportation infrastructure projects adversely affect residents, visitors, and businesses within the City; and

WHEREAS, the City had anticipated receiving monies for this purpose as the result of Proposition 42, approved by the state's voters in March 2002, which dedicated the state sales tax paid on gasoline to state and local transportation infrastructure projects and programs; and

WHEREAS, Proposition 42 contains a provision that allows the state to transfer the sales tax on gasoline to non-transportation state purposes during times of fiscal need; and

WHEREAS, as a result, some \$2.5 billion in Proposition 42 monies has been spent over the past three years for non-transportation purposes; and

WHEREAS, a measure is being circulated to qualify a constitutional amendment for the November 2006 ballot that would ensure that future revenues raised by Proposition 42 are dedicated to state and local transportation projects only; and

WHEREAS, the measure also requires the state to reimburse the \$2.5 billion in funds previously spent on non-transportation expenses to be repaid in ten years; and

WHEREAS, ensuring that Proposition 42 revenues are used solely for transportation projects, along with the reimbursement of prior revenues, will greatly assist the City of Lodi in meeting its street maintenance obligations to the benefits of its residents, visitors, and businesses.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi hereby supports a constitutional amendment to ensure that Proposition 42 revenues are used exclusively for state and local transportation projects and that revenues previously used to offset non-transportation purposes be reimbursed.

Dated: April 19, 2006

I hereby certify that Resolution No. 2006-67 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 19, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce, and
Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk