

3 341
PROPOSAL TO
APPROVE 5 CENTS
INCREASE IN
FEDERAL GAS
TAX DISCUSSED

Council took no formal action on the matter following a lengthy discussion.

City Manager Graves presented the following telegraph which had been received from Don Benninghoven, Executive Director of the League of California Cities:

"CONGRESS MOVING RAPIDLY TO APPROVE 5 CENTS INCREASE IN FEDERAL GAS TAX IN LAME DUCK SESSION.
IMPORTANT ISSUES:

1. POINT OF ORIGIN: CALIFORNIA AND OTHER STATES ARE "DONOR STATES," AND PAY MORE IN GAS TAXES THAN THEY RECEIVE. LEAGUE POSITION: INCREASE GAS TAX REVENUES RETURNED TO CALIFORNIA TO 85% OF AMOUNT COLLECTED IN CALIFORNIA.

2. STATE MATCH: AN INCREASE IN FEDERAL TAX WILL REQUIRE MORE STATE FUNDS TO MATCH FEDERAL DOLLARS. LEAGUE POSITION: ELIMINATE STATE MATCH REQUIREMENT TEMPORARILY TO AVOID DIVERTING STATE MONIES FROM CURRENT PROJECTS.

3. PROGRAM FLEXIBILITY: REVENUE INCREASES WILL GO THROUGH TRADITIONAL PROGRAM CATEGORIES. LEAGUE POSITION: ELIMINATE OR EASE PROGRAM REQUIREMENTS TO PERMIT LOCAL GOVERNMENTS TO QUICKLY EXPEND FUNDS ON PROJECTS.

4. FAU/FAS PROGRAM: THE ADMINISTRATION PLANS TO SIGNIFICANTLY REDUCE OR PHASE OUT THESE LOCAL GOVERNMENT PROGRAMS. LEAGUE POSITION: USE NEW REVENUES TO MAINTAIN FAU AND FAS PROGRAMS AT LEAST AT CURRENT LEVELS.

CONTACT YOUR CONGRESSMEN AND SENATORS IMMEDIATELY URGING AN EQUITABLE HOLE FOR LOCAL GOVERNMENT."

LEAGUE OF CALIFORNIA CITIES
1400 K STREET
SACRAMENTO CA 95814

Western Union Mailgram

1-258604U340032 12/06/82 ICS WA16614
00186 MLTN VA 12/06/82

STOA

CITY MANAGER
CITY HALL
PO BOX 320
LODI CA 95240

RECEIVED
1982 DEC -7 AM 9:40
ALICE H. RENICHE
CITY CLERK
CITY OF LODI

TO: CITY MANAGERS

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SIGNATURE: DON BENNINGHOVEN, EXECUTIVE DIRECTOR
2342 EST

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