

**SB 5 (de Leon) California Drought, Water, Parks, Climate, Coastal Protection, and
Outdoor Access For All Act of 2018
Chapter 852, Statutes of 2017 (Urgency)**

SB 5 (De Leon) places a \$4 billion bond on the June 2018 statewide ballot for parks, water, and climate and environmental programs. If the voters approve SB 5, local governments will receive funding for local park improvements and will be eligible for numerous grants to fund water, local parks, coastal and climate resiliency projects. The following is breakdown of funding in bond:

Parks Funding (Total \$1.283 billion)

- \$725 million for competitive grants for safe neighborhood parks
- \$200 million for per capita grants to cities, counties, and parks districts for local park improvement and rehabilitation
- \$15 million for competitive grants to urbanized counties
- \$30 million for competitive grants for state park facilities in regional parks districts
- \$40 million for per capita grants to local agencies that obtained voter approval for revenue measures between November 1, 2012 and November 30, 2016
- \$218 million for restoration of existing state park facilities, including \$5 million for urgent needs of local agencies that operate a unit of the state park system
- \$30 million for competitive grants for non-motorized infrastructure development
- \$25 million for competitive grants through the Roberti-Z'berg-Harris (RZH) Urban Open Space and Recreation Program

Water Funding (Total \$1.19 billion)

- \$250 million for competitive grants for clean drinking water programs
- \$550 million for flood protection and repair, including \$100 million for stormwater, mudslide and flash-flood-related protections and \$100 million for multibenefit flood management projects and storm water capture in urbanized areas
- \$290 million for competitive grants and loans for drought and groundwater regional sustainability
- \$100 million for grants or loans for water recycling programs

Climate and Environmental Programs Funding (Total \$1.547 billion)

- \$443 million for competitive grants for climate adaptation and resiliency programs
- \$162 million for the California River Parkways Program for grants to enhance urban creeks
- \$567 million for state conservancies and the Wildlife Conservation Board
- \$200 million for Salton Sea restoration activities and habitat
- \$175 million for coastal and ocean protection resources, including \$30 million for grants for lower cost coastal accommodations

**ACA 5
June 2018 Statewide General Election**

In April, 2017, the Legislature adopted **SB 1 – The Road Repair and Accountability Act of 2017** and **Assembly Constitutional Amendment 5**. Among its many provisions, SB 1 increases the sales and use tax on diesel fuel and imposes a new transportation improvement fee. ACA 5 is a ballot measure that would amend the Constitution to protect revenues from the increased tax and new fee for transportation purposes only. Other revenue increases found in SB 1 are already protected for transportation purposes by Article XIX of the California Constitution.

The Public Transportation Account: This is a trust account in the State Transportation Fund currently protected by the State Constitution. Funds in the Public Transportation Account may only be used for transportation planning and mass transportation purposes. Funds cannot be loaned or transferred to the State General Fund or any other fund or account in the State Treasury. The state sales tax on motor vehicle fuel is deposited into the Public Transportation Account.

New Revenues from SB 1: SB 1 – the Road Repair and Accountability Act of 2017 increased the state sales tax on diesel fuel by 4%; and the state use tax on diesel fuel by 1.75%.

SB 1 also imposed a transportation improvement fee payable with an automobile registration. The fee ranges from \$25 for an automobile with a market value of \$4,999 to \$175 for an automobile with a market value of \$60,000. The fee is \$100 for an automobile with a market value between \$25,000 and \$34,999.

Protecting New Revenues from SB 1: ACA 5 is a measure on the June 2018 statewide ballot to amend the California Constitution. Majority voter approval is required to amend the Constitution. The amendment makes two changes to the Constitution:

- **New diesel fuel sales and use tax** must be deposited into the Public Transportation Account where their use is restricted for public transit services and capital improvements.
- **New transportation improvement fee** must be deposited into the Public Transportation Account where they can be used only for research, planning, construction, improvement, maintenance and operation of public streets and highways and public transportation systems.

The proposed constitutional amendment will ensure that the revenues from the increase in the diesel fuel sales and use tax and from the new transportation improvement fee will be deposited into the Public Transportation Account. The

Legislature cannot change how these funds are used once they are protected by the Constitution.

Frequently Asked Questions

Q1. When did the increase in sales tax on diesel fuel go into effect?

A1. November 1, 2017

Q2. When did the new transportation improvement fee go into effect?

A2. January 1, 2018

Q3. Does SB 1 require that the sales tax increase on diesel fuel be used for certain purposes?

A3. Yes. The Road Repair and Accountability Act of 2017 requires that:

- All but 0.5% of the total sales and use tax paid on diesel fuel be allocated to the State Transit Assistance Program for use by transportation planning agencies, county transportation commissions and the San Diego Metropolitan transit Development Board; and
- The remaining tax revenues (generated from 0.5%) be allocated for intercity rail and commuter rail for the state's three intercity rail corridors and for commuter rail services.

Q4. Does SB 1 require that the new transportation improvement fee be used for certain purposes?

A4. Yes. SB 1 - The Road Repair and Accountability Act of 2017 allocated these revenues for the following programs:

- State Transit Assistance Program
- Congested Corridor Program
- Road Maintenance and Rehabilitation Account for local street and road maintenance

Q5. Why was ACA 5 adopted by the Legislature when it passed SB 1?

A5: To ask the voters to amend the Constitution to ensure that the revenues from the diesel tax and the transportation improvement fee would be used for transportation planning, public transit, and transportation capital improvements.

Q6. What happens if ACA 5 does not pass on the June 2018 ballot?

A6. The Legislature can decide to use revenues from the sales tax increase on diesel fuel and the new transportation improvement fee for purposes other than research, planning, construction, improvement, maintenance, and operation of public streets and highways and public transportation systems.