

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.