

## Schwarzenegger plan for gasoline taxes slammed as 'bait and switch'

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California drivers could save a dollar and change each visit to the gas pump under a tax swap proposed by Gov. Arnold Schwarzenegger.

In an effort to free up money to balance the state budget, the governor wants to reduce the sales tax motorists pay on gas purchases while increasing the gas excise tax, also paid at the pump.

The net result, state finance officials estimate, would be a 5-cent savings for consumers per gallon of gas in the next year. A Bee calculation based on this week's \$3-per-gallon average in California puts the savings at 7 cents a gallon.

The complex proposal – in the governor's 2010-2011 budget plan – is drawing sharp opposition from transit advocates, and scrutiny from public school officials – both of whom will take a financial hit.

The change, if approved by legislators, starts in July. The temporary savings for consumers would then run through July 2011.

Administration officials say the switch would help California close a \$19.9 billion budget gap by nullifying laws that reserve most of the gas-pump sales tax for transit agencies.

That would free up anywhere from a few hundred million dollars to more than a billion dollars for the state general fund. The total amount is disputed by the administration and transit officials.

State finance spokesman H.D. Palmer said the plan has the added benefit of saving motorists nearly \$1 billion at the pump in the coming year.

"That's one of the pleasant aspects," Palmer said.

Longer-term, however, the governor's plan calls for increasing the gas excise tax annually for the next 10 years from its current 18 cents to 34 cents per gallon by 2020.

Transit officials, meanwhile, are livid. They're calling it a "bait and switch" move to avoid making good on voter-approved funding for local bus service and rail service.

Elimination of transit funding would further hamstring bus and light-rail providers, including Sacramento's Regional Transit, when services are needed most, transit advocates say.

"Apparently, when you have the power to get laws changed, you don't have any obligation to follow the ones already on the books," said Josh Shaw, head of the California Transit Association.

State Assembly Transportation Committee chair Mike Eng, D-Monterey Park, called the tax switch "voodoo economics."

School advocates also are troubled. The tax swap would allow the Legislature to reduce funding to public schools this year by \$800 million, the Legislative Analyst's Office noted.

That represents a 1.6 percent reduction of Proposition 98-mandated school funding.

The Howard Jarvis Taxpayers Association declined comment on the plan, saying the group needs to study its long-term implications.

The issue will trigger intense legislative debate, said Sen. Bob Huff, R-Diamond Bar, vice chairman of the Senate transportation and education committees.

"There is going to be a lot of push and pull before we get around to adopting something," Huff said.

Schwarzenegger's complicated proposal involves two taxes that motorists now pay at the pump. One, the state's long-standing 6 percent sales tax, would be eliminated.

With gas at \$3 a gallon in California, that would give drivers an 18-cent sales tax savings per gallon. Then, to partially compensate for the revenue loss, the governor proposes increasing the other pump tax – the excise tax – by 10.8 cents per gallon this year.

That takes it from its current 18 cents to 28.8 cents per gallon this year.

The net gain to drivers is 7 cents a gallon – for now. The excise tax is slated, under this plan, to rise eventually to 34 cents per gallon, potentially negating consumer savings.

The governor's tax move is the latest in a several-year legal battle between the state and transit agencies over control of gas pump tax revenues in tough economic times.

The California Transit Association won the last round in September, when the Supreme Court declined to hear the governor's challenge of a lower court ruling that the state was illegally siphoning transit funds to balance the state budget.

Administration spokesman Palmer said the governor's tax proposal "is an effort to achieve the same goals we sought last year in transportation funding."

Administration officials say they believe gas price increases have caused consumers to spend more of their money at the pump, leaving less for spending on other goods whose sales taxes go to the general fund.

Transit officials, with the the League of California Cities and the California Alliance for Jobs, already have launched a counterattack – a petition drive for the November ballot protecting transit funds, redevelopment funds and other local revenues from the state.

The measure is called the "Local Taxpayer, Public Safety and Transportation Protection Act of 2010."

"We are saying in one common voice, enough is enough," Sacramento Mayor Kevin Johnson said Tuesday at a briefing announcing the petition drive.

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*Call The Bee's Tony Bizjak, (916) 321-1059.*

## Roseville may seek a depot deal

**S**acramento recently considered hoisting the downtown train depot and rolling it to a better spot. The idea never got off the ground.

Now, in Roseville, there's talk of moving that city's downtown Amtrak station.

The Union Pacific railroad company suggested it. UP wants extra space for freight trains in its Roseville yard.

Roseville city officials declined to comment, saying it's all too preliminary. But Placer County transportation officials are interested.

They want something in return from UP - room to run more Capitol Corridor passenger trains on UP tracks between Roseville and Sacramento.

"This is our first glimmer of hope in a long time for more passenger service into Placer County," said Celia McAdam of the Placer County Transportation Planning Agency.

Would they physically pick the depot up? Unlikely. McAdam said it might be better to build a depot to handle more commuter rail passengers.

Where to build it? It doesn't have to be in Roseville proper, but officials insist it stay in Placer County, not migrate over the line to Sacramento County.

One spot mentioned is next to Denio's farmers market near Foothills Boulevard, where there already is a parking lot.

# Proposed parkway on table

BY: JON BRINES  
SPECIAL TO THE PRESS TRIBUNE

Placer County transit officials are getting ready to choose a final route alignment for a new area expressway, the proposed Placer Parkway.

"Even with the improvements, I-80 will suffer congestion and slowdowns," said South Placer Regional Transit Authority Director and Rocklin Mayor Peter Hill. "The Placer Parkway will offer an alternative to I-80 and another way to get to Sacramento, I-5 north, the airport and the Bay Area."

The proposed 14- to 16-mile route would jut off of I-65 just north of Sunset Boulevard and run along the edge of West Roseville and southern Placer County before meeting up with Highway 99 just north of Riego Road in Sutter County.



**"The goal has always been to pick the least environmentally damaging alternative and the one with the smallest inducement to future growth."**

Peter Hill, Rocklin mayor

SPRTA is meeting Thursday in Auburn to consider the Final Tier 1 Environmental Impact Statement. It is the next step in the lengthy process before construction can begin. The public is invited to comment on the five proposed routes that would take the parkway through various farmland, wetland and Swainson's Hawk and White-Tailed Kite habitat.

Mayor Hill said he supports the fifth alternative that would take the road about three miles northwest of the Roseville Electric plant before heading

due west through open fields.

"I think Alternative 5 offers the least damaging alternative," Hill said. "The goal has always been to pick the least environmentally damaging alternative and the one with the smallest inducement to future growth."

Alternative 5 is also the shortest route with a no-access buffer.

If the SPRTA board approves a route, it will lay the groundwork for acquiring the land and the second environmental review, known as "Tier

2," before construction can begin.

Hill said all cities involved will benefit from the new road.

"The Parkway will also support industrial and commercial development along Highway 65, including large areas in Rocklin," Hill said.

Of the estimated \$660 million cost, only \$55 million has been secured. Construction was expected to begin in 2011 but the slowdown in the economy could push the groundbreaking until after 2030. Rocklin Vice Mayor Scott Yuill said the developer fees that fund the road could hinder economic growth.

"The fees that you agree to, directly affects the builder and eventually the person or entity that buys that property. That's a tax to them," Yuill said. "That is a real problem."

## Editorial: Placer rail is ready to toot a new horn

Published Tuesday, Dec. 08, 2009

Capitol Corridor passenger rail offers only one measly round trip a day between Roseville and Sacramento. That's not enough.

Commuters stuck in traffic on Interstate 80 are hungry for more. For years, the Capitol Corridor business plan has called for 10 round trips a day from Roseville and four from Auburn. But Union Pacific, the private railroad that owns the tracks, has resisted, arguing that its busy rail line through Placer County is already near or at capacity.

However, lately UP has signaled it may be ready to relent. The freight railroad recently spent a bundle laying new tracks, improving signals and enlarging its tunnels across the Sierra. The upgrades allow double-stacked containers to use the Donner Pass route for the first time. But to take full advantage of the improvements, UP needs more maneuvering room in its jampacked Roseville yards. To that end, railroad officials have asked the city of Roseville to relocate the city's downtown train station. That request is loaded with opportunity.

In return for relocating the station, Placer County and Roseville city officials want UP to free up more room on its tracks for passenger trains. Talks are still very preliminary, but Celia McAdam, who heads the Placer County Transportation Planning Agency, is hopeful. As she told The Bee's Tony Bizjak the other day, "This is our first glimmer of hope in a long time for more passenger service into Placer County."

The new scheme will require a third track to be built from Sacramento's downtown railroad station across the American River to Roseville. McAdam, together with David Kutrosky, Capitol Corridor's new managing director, have begun preparing a funding request to the Federal Railroad Administration.

It's far from a done deal, but with the railroad working with passenger rail advocates and not against them for a change, hope for service to Placer County may be more than a glimmer.

And that's good news for Placer commuters.

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## Opinion editorial by Keith Nesbitt

By ShoniJones

2009: Protecting Taxpayers and Delivering Transportation Improvements in Placer County

By Keith Nesbitt

2009 has been a tough year. How often do you hear someone in government say that taxpayers got more for their money? Well, if you live in Placer County, you did in terms of transportation improvements!

As Chair of the Placer County Transportation Planning Agency (PCTPA), I have been honored to be on a team that has used visionary planning, creative thinking and good timing to keep over \$400 million of major infrastructure projects on track – no small feat in these tough economic times. These transportation projects have put people to work, while simultaneously improving our quality of life in Placer County. Moreover, a focus on efficiency has made our dollars go further than we could have imagined.

Let me be specific.

The Interstate 80 Expansion, also known as the Bottleneck project, moved forward with impressive speed in 2009. All year, work has proceeded on Phase 2, which is widening I-80 between Riverside Avenue and Eureka Road. In September, we held a groundbreaking celebration for the final phase of construction that will widen I-80 between Eureka Road east past Highway 65. When these projects are completed in early 2011, residents will enjoy reduced traffic times, and increased safety while traveling what was once considered the region's most congested thoroughfare. What's more impressive is that the total project costs are over \$33 million lower than original estimates. The local share of the money saved is being reinvested to jumpstart work on additional improvements to the I-80 corridor, including the Eureka Road, Rocklin Road, and Highway 65 interchanges.

Similarly, the Lincoln Bypass Phase 1 remains on budget and on schedule – in spite of facing suspension because the lack of a state budget prevented the release of bond funding allocated to the project. Once completed in early 2012, the Lincoln Bypass will provide a new 11.7 mile-long thoroughfare for Highway 65, improving safety and congestion.

In addition to roadways, transit programs and services also impact Placer residents' quality of life. PCTPA has worked diligently to protect public transportation from deepening cuts. As a board member of the Capital Corridor Joint Powers Authority, I can tell you that we have vowed to continue in our efforts to maximize commuter train ridership and on-time performance of rail service.

In 2009, PCTPA created the Western Placer Consolidated Transit Services Agency, a Joint Powers Authority with the mission to provide transportation for the elderly and disabled who cannot use conventional transit options in Western Placer County. Using public-private partnerships with non-profits, the Agency has made scarce transit dollars go farther. PCTPA has also recently launched a "Transit Efficiency Initiative" to take a fresh look at how public transportation is provided across Placer County and determine how we might increase efficiency, improve services and encourage more ridership.

These achievements are not the result of any one individual but rather a great team with a strong commitment to working together and getting things done. In Washington DC, Sacramento and here in Placer County, elected officials and community leaders have worked tirelessly to support our efforts. I would be remiss if I didn't acknowledge the region's former Congressman John Doolittle for his work in securing over \$80 million in federal dollars for Interstate 80 and Lincoln Bypass.

And while 2009 has been a strong year, we've not lost sight of our long term priorities. Placer County is one of the state's fastest growing areas, yet we're one of the only major regions not to have a dedicated source of funding to maintain our transportation system. This puts us at risk of losing out on millions in federal and state dollars because we do not have matching funds. Fixing this problem is the next major priority, and we will be working with local residents, businesses and elected officials in the coming years to determine how best to sustain our progress and preserve our prosperity.

As a resident, and as Council member for the City of Auburn, and on behalf of the Placer County Transportation Planning Agency, I want to wish you a safe holiday and mobile New Year.

Keith Nesbitt is an Auburn City Councilman and Chairman of the Placer County Transportation Planning Agency

## Rocklin endorses ballot measure to stop state from taking local funds

By Jon Brines, Placer Herald Correspondent



Jon Brines, Special to The Placer Herald

Rocklin Mayor Scott Yuill signed the petition in front of Sacramento City Hall with other regional city leaders to get the ban of the state borrowing local tax money on the ballot.

As Gov. Arnold Schwarzenegger unveils his new budget, Rocklin officials showed their support for a campaign to get a measure on the November 2010 ballot that would bar the state from borrowing tax money intended for local use.

"Local money to a smaller city like Rocklin is even more significant when we lose it because we don't operate on bloated budgets," said Rocklin Mayor Scott Yuill.

Tuesday, Yuill and Rocklin Council member Kathy Lund added their names to the 700,000 registered voter signatures needed by April 15 to get the Local Taxpayer, Public Safety and Transportation Protection Act on the ballot.

If passed, the measure would prohibit state officials from borrowing property tax money in an effort to fill the state's \$42 billion budget hole. Last year Rocklin was hit up for more than \$1.1 million in property taxes, \$900,000 in gas taxes and \$1.3 million in redevelopment funds.

"How do you plan any kind of budget when you have unpredictable revenue loss," Yuill said.

Coupled with the recession, the revenue slide has forced the city to layoff workers, reorganized city departments and cut salaries and programs citywide.

"It's a combination of things that are really bad," Yuill said. "We've had a drastic decline in other revenues like sales tax revenue and property taxes."

To make matters worse the state recently informed Rocklin they updated their estimation of this year's raid and are taking an additional amount of more than half a million dollars in borrowed property taxes.

City officials admit if the state had left them alone, they would have been better off and may not be considering another round of pay cuts for city workers and other cost-saving measures slated for the Jan. 23 budget hearing.

"We've already cut a million dollars out of our budget this year and this is our second time in to make cuts," said Rocklin Council member Kathy Lund. "We're trying to protect future budgets so we don't have to do that anymore."

The new ballot measure would also stop the state from taking public transit funds for road construction and maintenance.

That's something Yuill said the city can't do without.

"I don't take a constitutional amendment lightly, but in this case, it is critical to protect our roads or we'll continue to have this issue time and time again," Yuill said.

Rocklin Assemblyman Ted Gaines (Rep.) praised Rocklin city leaders for their efforts to balance the budget in spite of the challenges.

"In my opinion, it is not right to jeopardize local governments that have been well managed because the state has been fiscally irresponsible," Gaines said.

Gaines said he supports the ballot measure and actually lost the Minority Floor leadership position during last year's budget battle when he voted against the raid on local funds.

"I supported local government against my own leadership in my (party) caucus and I lost my leadership position over that battle," Gaines said.

Gaines said the budget fight ahead could be worse than last year.

"I will continue to support local government and make sure that the state budget does not balance on the backs of local governments," Gaines said.