

RESOLUTION 2009-23
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE
AUTHORIZING THE CITY ATTORNEY TO COOPERATE WITH THE
LEAGUE OF CALIFORNIA CITIES, OTHER CITIES AND COUNTIES IN
LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY
SEIZURE BY STATE GOVERNMENT OF THE CITY'S STREET
MAINTENANCE FUNDS

At a Special Meeting of the City Council of the City of Lemoore duly called and held on June 16, 2009, at 7:30 p.m. on said day, it was moved by Council Member _____, seconded by Council Member _____ and carried that the following Resolution be adopted:

WHEREAS, the current economic crisis has placed cities under incredible financial pressure and caused them to make painful budget cuts, including layoffs and furloughs of city workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

WHEREAS, since the early 1990s the state government of California has seized over **\$10 billion** of city property tax revenues statewide, now amounting to over \$900 million each year, to fund the state budget even after deducting public safety program payments to cities by the state; and

WHEREAS, in his proposed FY 2009-10 budget the Governor has proposed transferring \$1 billion of local gas taxes and weight fees to the state general fund to balance the state budget, and over \$700 million in local gas taxes permanently in future years, immediately jeopardizing the ability of the City to maintain the City's streets, bridges, traffic signals, streetlights, sidewalks and related traffic safety facilities for the use of the motoring public; and

WHEREAS, the loss of almost all of the City's gas tax funds will seriously compromise the City's ability to perform critical traffic safety related street maintenance, including, but not limited to, drastically curtailing patching, resurfacing, street lighting/traffic signal maintenance, payment of electricity costs for street lights and signals, bridge maintenance and repair, sidewalk and curb ramp maintenance and repair, and more; and

WHEREAS, some cities report to the League of California Cities that they will be forced to eliminate part or all of their street maintenance operations while others will be forced to cut back in other areas (including public safety staffing levels) to use city general funds for basic street repair and maintenance. Furthermore, cities expect that liability damage awards will mount as basic maintenance is ignored and traffic accidents, injuries and deaths increase; and

WHEREAS, in both Proposition 5 in 1974 and Proposition 2 in 1998 the voters of our state overwhelmingly imposed restriction on the state's ability to do what the Governor has proposed, and any effort to permanently divert the local share of the gas tax would violate the state constitution and the will of the voters; and

WHEREAS, cities and counties maintain 81% of the state road network while the state directly maintains just 8%; and

WHEREAS, ongoing street maintenance is a significant public safety concern. A city's failure to maintain its street pavement (potholes filling, sealing, overlays, etc.), traffic signals, signs, and street lights has a direct correlation to traffic accidents, injuries and deaths; and

WHEREAS, according to a recent statewide needs assessmentⁱ on a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 68, or "at risk." Local streets and roads will fall to "poor" condition (Score of 48) by 2033 based on existing funding levels available to cities and counties.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF LEMOORE hereby directs the City Attorney to take all necessary steps to cooperate with the League of California Cities, other cities and counties in supporting litigation against the state of California if the legislature enacts and the governor signs into law legislation that unconstitutionally diverts the City's share of funding from the Highway Users Tax Account (HUTA), also known as the "gas tax," to fund the state general fund; and

RESOLVED FURTHER, that the City Clerk shall send this resolution with an accompanying letter from the Mayor to the Governor and each legislator, informing them in the clearest of terms of the City's adamant resolve to oppose any effort to frustrate the will of the electorate as expressed in Proposition 5 (1974) and Proposition 8 (1998) concerning the proper use and allocation of the gas tax; and

RESOLVED FURTHER, that a copy of this Resolution shall be sent by the City Clerk to the League of California Cities, the local chamber of commerce, and other community groups whose members are affected by this proposal to create unsafe conditions on the streets of our City for pedestrians, bicyclists and motorists.

Passed and adopted at a Special Meeting of the City Council of the City of Lemoore held on the 16th day of June, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

APPROVED:

John F. Murray
Mayor

ATTEST:

Nanci C. O. Lima, CMC
City Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, Nanci C. O. Lima, City Clerk of the City of Lemoore do hereby certify the foregoing Resolution of the City Council of the City of Lemoore was duly passed and adopted at a Regular Meeting held on June 16, 2009.

DATED: June 17, 2009

Nanci C. O. Lima, CMC
City Clerk



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

TO: City Officials
FROM: Chris McKenzie, Executive Director
RE: Sample Resolution RE: Litigation Over Unconstitutional Diversion of
Local Share of Motor Fuel (Gas) Tax
DATE: Friday, June 12, 2009

Background. In his final revised May Revision, the Governor proposed the seizure of almost \$1 billion in city and county shares of revenues in the Highway Users Tax Account (HUTA) from the motor fuel tax (or gallonage gas tax) to fund past and future highway bond debt service payments out of the general fund. Yesterday the Joint Budget Conference Committee endorsed this recommendation on a party line vote. It is clear to attorneys employed and retained by the League that this recommendation, if enacted into law, would be unconstitutional. In fact, in both 1974 and 1998 voters enacted limitations on the power of the legislature to seize and use HUTA gas tax funds, allowing only loans to the general fund on a limited basis. The attached legal opinion from the Sacramento law firm of Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, sets forth the legal analysis and conclusion that the Governor's proposal would violate Article XIX of the California Constitution.

Resolution. The League has developed the attached sample resolution for cities that wish to direct their city attorney to cooperate with the League, other cities and counties in planning litigation challenging the constitutionality of the proposed theft of city and county funds. It does not commit the city to filing litigation, but it directs the city attorney to cooperate and work with the League and other local governments to advance the litigation. If litigation proves necessary in the next month or so, we anticipate there will be some lead cities and counties, along with the League. It may eventually prove desirable to have every interested city named in the litigation. As a result, asking your city attorney to get engaged and cooperate in the planning of this possible next step is appropriate and to send the message you will not take this lying down.

Your City's Gas Tax Loss. For your city's projected 2009-10 motor vehicle fuel tax revenue loss see <http://www.californiacityfinance.com/HUTAprjFY10.pdf> The total amount of loss for each city is in the far right column. Under the Governor's proposal, approved by the Budget Conference committee, your city would lose this entire amount. In the next year, the loss would be about 75% of this amount.

Where to Send Copies. The draft resolution directs the city clerk to send copies to your legislators, the Governor, the League, and various community groups that care about traffic safety in your city. We would appreciate you faxing copies to both your League Regional Public Affairs Manager and the League's Sacramento Office (Fax 916-658-8240).

Questions. If you have any questions or need any information please contact your League Regional Public Affairs Manager. City attorneys should contact Patrick Whitnell, League General Counsel, at pwhitnell@cacities.org.

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES, OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY SEIZURE BY STATE GOVERNMENT OF THE CITY'S STREET MAINTENANCE FUNDS

WHEREAS, the current economic crisis has placed cities under incredible financial pressure and caused them to make painful budget cuts, including layoffs and furloughs of city workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

WHEREAS, since the early 1990s the state government of California has seized over **\$10 billion** of city property tax revenues statewide, now amounting to over \$900 million each year, to fund the state budget even after deducting public safety program payments to cities by the state; and

WHEREAS, in his proposed FY 2009-10 budget the Governor has proposed transferring \$1 billion of local gas taxes and weight fees to the state general fund to balance the state budget, and over \$700 million in local gas taxes permanently in future years, immediately jeopardizing the ability of the City to maintain the City's streets, bridges, traffic signals, streetlights, sidewalks and related traffic safety facilities for the use of the motoring public; and

WHEREAS, the loss of almost all of the City's gas tax funds will seriously compromise the City's ability to perform critical traffic safety related street maintenance, including, but not limited to, drastically curtailing patching, resurfacing, street lighting/traffic signal maintenance, payment of electricity costs for street lights and signals, bridge maintenance and repair, sidewalk and curb ramp maintenance and repair, and more; and

WHEREAS, some cities report to the League of California Cities that they will be forced to eliminate part or all of their street maintenance operations while others will be forced to cut back in other areas (including public safety staffing levels) to use city general funds for basic street repair and maintenance. Furthermore, cities expect that liability damage awards will mount as basic maintenance is ignored and traffic accidents, injuries and deaths increase; and

WHEREAS, in both Proposition 5 in 1974 and Proposition 2 in 1998 the voters of our state overwhelmingly imposed restriction on the state's ability to do what the Governor has proposed, and any effort to permanently divert the local share of the gas tax would violate the state constitution and the will of the voters; and

WHEREAS, cities and counties maintain 81% of the state road network while the state directly maintains just 8%; and

WHEREAS, ongoing street maintenance is a significant public safety concern. A city's failure to maintain its street pavement (potholes filling, sealing, overlays, etc.), traffic signals, signs, and street lights has a direct correlation to traffic accidents, injuries and deaths; and

WHEREAS, according to a recent statewide needs assessment¹ on a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 68, or "at risk." Local streets and roads will fall to "poor" condition (Score of 48) by 2033 based on existing funding levels available to cities and counties.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF _____ hereby directs the City Attorney to take all necessary steps to cooperate with the League of California Cities, other cities and counties in supporting litigation against the state of California if the legislature enacts and the governor signs into law legislation that unconstitutionally diverts the City's share of funding from the Highway Users Tax Account (HUTA), also known as the "gas tax," to fund the state general fund; and

RESOLVED FURTHER, that the city manager or clerk shall send this resolution with an accompanying letter from the mayor to the Governor and each legislator, informing them in the clearest of terms of the City's adamant resolve to oppose any effort to frustrate the will of the electorate as expressed in Proposition 5 (1974) and Proposition 8 (1998) concerning the proper use and allocation of the gas tax; and

RESOLVED FURTHER, that a copy of this Resolution shall be sent by the city manager or clerk to the League of California Cities, the local chamber of commerce, and other community groups whose members are affected by this proposal to create unsafe conditions on the streets of our City for pedestrians, bicyclists and motorists.

ADOPTED this _____ day of _____, 2009.

¹ *California Statewide Local Streets and Roads Needs Assessment*, Nichols Consulting Engineers, Chtd. (2008), sponsored by the League of California Cities, California State Association of Counties and County Engineers Association of California.

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
ALAMEDA COUNTY					
ALAMEDA	412,940	267,801	550,297	7,500	1,238,538
ALBANY	91,914	63,448	122,487	4,000	281,850
BERKELEY	581,084	374,834	774,370	10,000	1,740,288
DUBLIN	255,608	167,649	340,631	6,000	769,888
EMERYVILLE	52,974	38,661	70,595	2,000	164,230
FREMONT	1,162,810	745,138	1,549,596	10,000	3,467,544
HAYWARD	812,587	522,200	1,082,878	10,000	2,427,665
LIVERMORE	455,317	294,776	606,769	7,500	1,364,361
NEWARK	239,400	157,332	319,032	6,000	721,764
OAKLAND	2,288,363	1,461,620	3,049,543	10,000	6,809,526
PIEDMONT	60,659	43,553	80,836	3,000	188,047
PLEASANTON	377,895	245,492	503,594	7,500	1,134,481
SAN LEANDRO	445,770	288,699	594,046	7,500	1,336,015
UNION CITY	399,755	259,408	532,726	7,500	1,199,390
ALPINE COUNTY					
AMADOR COUNTY					
AMADOR	1,176	5,773	1,568	1,000	9,517
IONE	42,708	35,201	56,915	2,000	136,824
JACKSON	23,805	21,807	31,723	1,000	78,335
PLYMOUTH	5,849	9,084	7,795	1,000	23,728
SUTTER CREEK	16,039	16,304	21,374	1,000	54,716
BUTTE COUNTY					
BIGGS	9,852	12,595	13,129	1,000	36,577
CHICO	473,534	372,919	631,046	7,500	1,484,999
GRIDLEY	34,871	32,038	46,471	2,000	115,380
OROVILLE	78,914	66,263	105,163	3,000	253,341
PARADISE	145,547	118,043	241,971	6,000	511,561
CALAVERAS COUNTY					
ANGELS	19,568	27,936	26,077	1,000	74,580
COLUSA COUNTY					
COLUSA	31,440	21,319	41,898	2,000	96,658
WILLIAMS	28,919	20,006	38,538	2,000	89,463
CONTRA COSTA COUNTY					
ANTIOCH	550,324	359,446	733,379	10,000	1,653,148
BRENTWOOD	275,649	182,507	367,339	7,500	832,995
CLAYTON	59,853	43,495	79,762	3,000	186,110
CONCORD	679,979	442,967	906,162	10,000	2,039,108
DANVILLE	235,670	156,752	314,060	6,000	712,482
EL CERRITO	128,261	87,563	170,925	5,000	391,749
HERCULES	132,471	90,274	176,535	5,000	404,281
LAFAYETTE	132,945	90,580	177,167	5,000	405,691
MARTINEZ	200,918	134,366	267,749	6,000	609,034
MORAGA	89,997	62,914	119,933	4,000	276,843
OAKLEY	180,865	121,449	241,027	6,000	549,341
ORINDA	97,120	67,502	129,426	4,000	298,049
PINOLE	106,766	73,715	142,279	4,000	326,760
PITTSBURG	346,656	228,247	461,964	7,500	1,044,367

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
PLEASANT HILL	183,403	123,084	244,409	6,000	556,896
RICHMOND	565,459	369,195	753,548	10,000	1,698,202
SAN PABLO	170,703	114,902	227,484	6,000	519,089
SAN RAMON	321,331	211,934	428,216	7,500	968,981
WALNUT CREEK	362,172	238,242	482,641	7,500	1,090,555
DEL NORTE COUNTY					
CRESCENT CITY	42,273	25,895	56,334	2,000	126,501
EL DORADO COUNTY					
PLACERVILLE	56,367	58,816	75,117	3,000	193,300
SOUTH LAKE TAHOE	131,028	130,177	1,153,199	5,000	1,419,404
FRESNO COUNTY					
CLOVIS	513,448	283,392	684,237	7,500	1,488,578
COALINGA	103,819	61,243	138,353	4,000	307,415
FIREBAUGH	37,093	25,056	49,432	2,000	113,581
FOWLER	30,346	21,397	40,440	2,000	94,182
FRESNO	2,647,441	1,440,697	3,528,062	10,000	7,626,201
HURON	41,134	27,248	54,817	2,000	125,199
KERMAN	75,581	45,929	100,722	3,000	225,231
KINGSBURG	61,307	38,187	81,699	3,000	184,194
MENDOTA	53,301	33,846	71,031	2,000	160,177
ORANGE COVE	58,676	36,761	78,194	3,000	176,631
PARLIER	72,569	44,295	96,708	3,000	216,573
REEDLEY	139,333	80,503	185,680	6,000	411,516
SANGER	138,353	79,971	184,373	6,000	408,697
SAN JOAQUIN	22,122	16,937	29,481	1,000	69,539
SELMA	126,807	73,710	168,987	5,000	374,504
GLENN COUNTY					
ORLAND	40,045	27,964	53,366	2,000	123,375
WILLOWS	35,411	25,299	47,189	2,000	109,899
HUMBOLDT COUNTY					
ARCATA	95,623	78,319	127,430	4,000	305,372
BLUE LAKE	6,415	9,863	8,549	1,000	25,828
EUREKA	148,178	118,649	197,466	6,000	470,293
FERNDALE	7,826	10,945	10,429	1,000	30,200
FORTUNA	61,944	52,474	82,549	3,000	199,967
RIO DELL	17,885	18,664	23,834	1,000	61,383
TRINIDAD	1,759	6,289	2,344	1,000	11,393
IMPERIAL COUNTY					
BRAWLEY	144,393	77,238	192,422	6,000	420,053
CALEXICO	210,944	110,562	281,111	6,000	608,616
CALIPATRIA	43,046	26,493	57,364	2,000	128,904
EL CENTRO	235,904	123,059	314,373	6,000	679,335
HOLTVILLE	35,220	22,575	46,935	2,000	106,730
IMPERIAL	69,449	39,713	92,550	3,000	204,712
WESTMORLAND	13,310	11,604	17,738	1,000	43,652
INYO COUNTY					
BISHOP	19,840	19,110	26,440	1,000	66,390

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL FY2009-10
	Sec2105 ⁽²⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	
KERN COUNTY					
ARVIN	89,953	42,129	119,875	4,000	255,957
BAKERSFIELD	1,790,093	745,026	2,385,533	10,000	4,930,652
CALIFORNIA CITY	78,233	37,284	104,256	3,000	222,774
DELANO	293,300	126,200	390,861	7,500	817,861
MARICOPA	6,247	7,522	8,325	1,000	23,093
MCFARLAND	72,923	35,089	97,180	3,000	208,192
RIDGECREST	152,698	68,070	203,490	6,000	430,258
SHAFTER	85,008	40,085	113,285	4,000	242,378
TAFT	50,257	25,717	66,974	2,000	144,948
TEHACHAPI	71,284	34,411	94,995	3,000	203,690
WASCO	136,147	61,228	181,434	6,000	384,809
KINGS COUNTY					
AVENAL	91,152	46,538	121,471	4,000	263,161
CORCORAN	141,855	69,678	189,040	6,000	406,573
HANFORD	283,007	134,095	377,144	7,500	801,746
LEMOORE	133,441	65,838	177,827	5,000	382,105
LAKE COUNTY					
CLEARLAKE	77,591	55,735	103,400	3,000	239,725
LAKEPORT	27,933	23,226	37,225	2,000	90,384
LASSEN COUNTY					
SUSANVILLE	101,298	52,860	224,881	4,000	383,039
LOS ANGELES COUNTY					
AGOORA HILLS	127,112	78,859	169,394	5,000	380,365
ALHAMBRA	493,205	291,753	657,261	7,500	1,449,719
ARCADIA	308,010	184,057	410,464	7,500	910,031
ARTESIA	95,792	60,645	127,655	4,000	288,092
AVALON	19,236	16,126	25,634	1,000	61,995
AZUSA	265,460	159,312	353,760	6,000	784,532
BALDWIN PARK	442,665	262,363	589,909	7,500	1,302,438
BELL	212,300	128,399	282,918	6,000	629,617
BELLFLOWER	422,144	250,429	562,563	7,500	1,242,636
BELL GARDENS	254,693	153,051	339,412	6,000	753,155
BEVERLY HILLS	196,517	119,220	261,885	6,000	583,623
BRADBURY	5,179	7,951	6,902	1,000	21,033
BURBANK	588,338	347,076	784,037	10,000	1,729,451
CALABASAS	129,209	80,078	172,188	5,000	386,475
CARSON	535,511	316,355	713,638	7,500	1,573,004
CERRITOS	299,939	179,363	399,708	7,500	886,510
CLAREMONT	202,824	122,888	270,290	6,000	602,002
COMMERCE	73,719	47,809	98,240	3,000	222,767
COMPTON	541,621	319,909	721,781	7,500	1,590,811
COVINA	270,781	162,407	360,851	6,000	800,038
CUDAHY	140,940	86,900	187,821	6,000	421,661
CULVER CITY	222,583	134,378	296,620	6,000	659,581
DIAMOND BAR	328,727	196,104	438,072	7,500	970,404
DOWNEY	618,716	364,742	824,520	10,000	1,817,978
DUARTE	125,919	78,166	167,804	5,000	376,889

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
EL MONTE	687,746	404,884	916,511	10,000	2,019,141
EL SEGUNDO	92,998	59,021	123,932	4,000	279,950
GARDENA	337,370	201,131	449,590	7,500	995,591
GLENDALE	1,128,200	661,022	1,503,474	10,000	3,302,696
GLENDORA	286,231	171,392	381,441	7,500	846,563
HAWAIIAN GARDENS	86,713	55,366	115,556	4,000	261,635
HAWTHORNE	490,226	290,021	653,291	7,500	1,441,038
HERMOSA BEACH	106,787	67,040	142,308	4,000	320,135
HIDDEN HILLS	11,110	11,400	14,806	1,000	38,316
HUNTINGTON PARK	353,610	210,575	471,232	7,500	1,042,918
INDUSTRY	-	7,486	5,835	1,000	14,321
INGLEWOOD	649,242	382,493	865,200	10,000	1,906,934
IRWINDALE	9,389	10,400	12,512	1,000	33,301
LA CANADA FLINTRIDGE	117,680	73,374	156,823	5,000	352,877
LA HABRA HEIGHTS	33,728	24,553	44,947	2,000	105,228
LAKEWOOD	455,698	269,942	607,277	7,500	1,340,416
LA MIRADA	274,903	164,804	366,345	7,500	813,552
LANCASTER	791,009	464,935	1,054,124	10,000	2,320,068
LA PUENTE	236,143	142,264	314,692	6,000	699,099
LA VERNE	185,418	112,766	247,094	6,000	551,278
LAWNDALE	182,837	111,265	243,654	6,000	543,755
LOMITA	115,202	71,933	153,521	5,000	345,655
LONG BEACH	2,684,453	1,566,030	3,577,385	10,000	7,837,868
LOS ANGELES	22,034,269	12,818,534	29,363,550	20,000	64,236,353
LOS ANGELES MTA	4,379	-	-	-	4,379
LYNWOOD	398,721	236,808	531,347	7,500	1,174,376
MALIBU	74,873	48,481	99,778	3,000	226,132
MANHATTAN BEACH	200,651	121,624	267,394	6,000	595,669
MAYWOOD	163,225	99,860	217,519	6,000	486,605
MONROVIA	214,179	129,491	285,422	6,000	635,092
MONTEBELLO	357,733	212,972	476,726	7,500	1,054,932
MONTEREY PARK	351,895	209,577	468,946	7,500	1,037,918
NORWALK	600,041	353,882	799,634	10,000	1,763,557
PALMDALE	805,463	473,341	1,073,385	10,000	2,362,190
PALOS VERDES ESTATES	77,378	49,937	103,117	3,000	233,433
PARAMOUNT	316,468	188,975	421,735	7,500	934,678
PASADENA	806,711	474,066	1,075,047	10,000	2,365,824
PICO RIVERA	366,458	218,046	488,353	7,500	1,080,357
POMONA	889,922	522,456	1,185,937	10,000	2,608,315
RANCHO PALOS VERDES	237,042	142,787	315,889	6,000	701,718
REDONDO BEACH	367,585	218,702	489,855	7,500	1,083,642
ROLLING HILLS ⁽²⁾					
ROLLING HILLS ESTATES	44,609	30,881	59,447	2,000	136,938
ROSEMEAD	312,754	186,815	416,785	7,500	923,854
SAN DIMAS	201,566	122,156	268,613	6,000	598,335
SAN FERNANDO	137,405	84,845	183,111	6,000	411,361
SAN GABRIEL	232,887	140,370	310,352	6,000	689,608
SAN MARINO	74,465	48,243	99,234	3,000	224,942

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
SANTA CLARITA	964,822	566,013	1,285,752	10,000	2,826,586
SANTA FE SPRINGS	98,014	61,937	130,616	4,000	294,567
SANTA MONICA	498,292	294,711	664,039	7,500	1,464,542
SIERRA MADRE	60,702	40,240	80,894	3,000	184,836
SIGNAL HILL	62,097	41,051	82,752	3,000	188,899
SOUTH EL MONTE	122,341	76,085	163,036	5,000	366,462
SOUTH GATE	559,947	330,566	746,203	10,000	1,646,716
SOUTH PASADENA	140,640	86,726	187,422	6,000	420,788
TEMPLE CITY	194,437	118,011	259,113	6,000	577,560
TORRANCE	811,280	476,723	1,081,137	10,000	2,379,140
VERNON	523	5,244	697	1,000	7,463
WALNUT	175,904	107,233	234,415	6,000	523,552
WEST COVINA	615,154	362,670	819,774	10,000	1,807,599
WEST HOLLYWOOD	207,148	125,402	276,052	6,000	614,603
WESTLAKE VILLAGE	48,498	33,142	64,629	2,000	148,269
WHITTIER	475,173	281,267	633,230	7,500	1,397,171
MADERA COUNTY					
CHOWCHILLA	102,278	48,257	136,299	4,000	290,834
MADERA	308,849	135,745	411,582	7,500	863,675
MARIN COUNTY					
BELVEDERE	11,769	13,575	15,684	1,000	42,028
CORTE MADERA	51,803	42,952	69,035	2,000	165,790
FAIRFAX	40,367	34,559	53,794	2,000	130,720
LARKSPUR	66,464	53,709	88,572	3,000	211,746
MILL VALLEY	75,837	60,587	101,063	3,000	240,487
NOVATO	287,212	215,688	382,747	7,500	893,146
ROSS	13,032	14,503	17,368	1,000	45,903
SAN ANSELMO	68,626	55,296	91,454	3,000	218,376
SAN RAFAEL	317,154	237,659	422,650	7,500	984,963
SAUSALITO	40,862	34,923	54,454	2,000	132,239
TIBURON	48,563	40,574	64,717	2,000	155,853
MARIPOSA COUNTY					
MENDOCINO COUNTY					
FORT BRAGG	38,689	33,737	51,558	2,000	125,985
POINT ARENA	2,728	6,970	3,636	1,000	14,335
UKIAH	86,914	69,633	115,825	4,000	276,373
WILLITS	27,786	25,622	37,029	2,000	92,436
MERCED COUNTY					
ATWATER	150,411	84,820	200,442	6,000	441,673
DOS PALOS	27,361	19,471	36,463	2,000	85,294
GUSTINE	28,924	20,301	38,545	2,000	89,771
LIVINGSTON	75,129	44,839	100,119	3,000	223,088
LOS BANOS	196,343	109,214	261,653	6,000	573,210
MERCED	439,000	238,086	585,025	7,500	1,269,611
MODOC COUNTY					
ALTURAS	15,930	13,597	27,415	1,000	57,942
MONO COUNTY					
MAMMOTH LAKES	42,028	61,636	1,342,943	2,000	1,448,607

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
MONTEREY COUNTY					
CARMEL-BY-THE-SEA	22,340	14,451	29,771	1,000	67,561
DEL REY OAKS	9,008	8,775	12,004	1,000	30,787
GONZALES	47,942	25,350	63,889	2,000	139,182
GREENFIELD	94,305	45,089	125,674	4,000	269,067
KING CITY	64,547	32,420	86,018	3,000	185,985
MARINA	153,232	70,177	204,201	6,000	433,610
MONTEREY	166,874	75,985	222,382	6,000	471,241
PACIFIC GROVE	84,834	41,057	113,052	4,000	242,943
SALINAS	852,403	367,842	1,135,939	10,000	2,366,185
SAND CITY	1,677	5,654	2,235	1,000	10,566
SEASIDE	190,167	85,901	253,423	6,000	535,492
SOLEDAD	154,457	70,698	205,834	6,000	436,990
NAPA COUNTY					
AMERICAN CANYON	88,733	52,455	118,249	4,000	263,437
CALISTOGA	28,875	20,402	38,480	2,000	89,757
NAPA	419,928	229,805	559,609	7,500	1,216,841
ST HELENA	32,900	22,557	43,844	2,000	101,300
YOUNTVILLE	22,177	16,815	29,553	1,000	69,545
NEVADA COUNTY					
GRASS VALLEY	70,968	104,054	94,574	3,000	272,597
NEVADA CITY	16,818	28,427	22,412	1,000	68,656
TRUCKEE	88,036	127,892	1,477,488	4,000	1,697,416
ORANGE COUNTY					
ALISO VIEJO	246,431	157,527	328,402	6,000	738,359
ANAHEIM	1,888,836	1,174,485	2,517,122	10,000	5,590,442
BREA	218,286	140,099	290,894	6,000	655,279
BUENA PARK	450,764	284,047	600,702	7,500	1,343,012
COSTA MESA	620,611	389,215	827,046	10,000	1,846,872
CYPRESS	269,806	172,000	359,551	6,000	807,357
DANA POINT	201,408	129,649	268,403	6,000	605,460
FOUNTAIN VALLEY	315,466	200,272	420,400	7,500	943,638
FULLERTON	748,497	468,400	997,470	10,000	2,224,367
GARDEN GROVE	942,542	588,550	1,256,061	10,000	2,797,153
HUNTINGTON BEACH	1,101,476	686,960	1,467,861	10,000	3,266,297
IRVINE	1,142,627	712,440	1,522,700	10,000	3,387,766
LAGUNA BEACH	136,866	89,685	182,392	6,000	414,944
LAGUNA HILLS	184,138	118,956	245,389	6,000	554,483
LAGUNA NIGUEL	364,219	230,460	485,370	7,500	1,087,550
LAGUNA WOODS	100,437	67,129	133,846	4,000	305,412
LA HABRA	341,117	216,155	454,583	7,500	1,019,356
LAKE FOREST	426,523	269,038	568,398	7,500	1,271,458
LA PALMA	88,096	59,488	117,400	4,000	268,984
LOS ALAMITOS	66,393	46,050	88,478	3,000	203,921
MISSION VIEJO	538,854	338,592	718,094	7,500	1,603,040
NEWPORT BEACH	460,490	290,070	613,664	7,500	1,371,724
ORANGE	767,079	479,906	1,022,233	10,000	2,279,218
PLACENTIA	281,711	179,372	375,417	7,500	843,999

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
RANCHO SANTA MARGARITA	271,020	172,752	361,170	6,000	810,942
SAN CLEMENTE	369,747	233,883	492,737	7,500	1,103,867
SAN JUAN CAPISTRANO	200,319	128,975	266,951	6,000	602,245
SANTA ANA	1,924,808	1,196,758	2,565,058	10,000	5,696,624
SEAL BEACH	141,523	92,569	188,597	6,000	428,689
STANTON	213,901	137,385	285,052	6,000	642,338
TUSTIN	404,199	255,215	538,649	7,500	1,205,563
VILLA PARK	34,087	26,046	45,426	2,000	107,559
WESTMINSTER	506,635	318,642	675,158	7,500	1,507,935
YORBA LINDA	372,035	235,299	495,785	7,500	1,110,619
PLACER COUNTY					
AUBURN	72,286	60,456	96,331	3,000	232,073
COLFAX	10,103	12,698	13,463	1,000	37,264
LINCOLN	216,526	171,232	288,550	6,000	682,309
LOOMIS	36,075	32,645	48,075	2,000	118,795
ROCKLIN	293,235	230,145	390,774	7,500	921,653
ROSEVILLE	594,465	461,490	792,202	10,000	1,858,157
PLUMAS COUNTY					
PORTOLA	12,243	10,921	111,576	1,000	135,740
RIVERSIDE COUNTY					
BANNING	154,386	95,234	205,740	6,000	461,361
BEAUMONT	171,427	105,201	228,449	6,000	511,077
BLYTHE	123,218	77,005	164,204	5,000	369,428
CALIMESA	41,042	28,943	54,694	2,000	126,679
CANYON LAKE	60,185	40,139	80,204	3,000	183,529
CATHEDRAL CITY	285,730	172,053	380,773	7,500	846,056
COACHELLA	220,660	133,996	294,058	6,000	654,714
CORONA	802,909	474,532	1,069,982	10,000	2,357,422
DESERT HOT SPRINGS	141,969	87,972	189,193	6,000	425,134
HEMET	404,020	241,236	538,409	7,500	1,191,165
INDIAN WELLS	27,367	20,945	36,470	2,000	86,782
INDIO	443,923	264,574	591,586	7,500	1,307,583
LAKE ELSINORE	271,254	163,586	361,482	6,000	802,323
LA QUINTA	233,954	141,771	311,774	6,000	693,499
MORENO VALLEY	1,001,322	590,576	1,334,392	10,000	2,936,290
MURRIETA	545,553	324,014	727,021	10,000	1,606,588
NORCO	149,011	92,091	198,577	6,000	445,678
PALM DESERT	277,245	167,090	369,465	7,500	821,301
PALM SPRINGS	257,334	155,445	342,931	6,000	761,710
PERRIS	291,939	175,684	389,047	7,500	864,169
RANCHO MIRAGE	92,894	59,270	123,794	4,000	279,958
RIVERSIDE	1,616,634	950,450	2,154,377	10,000	4,731,461
SAN JACINTO	194,274	118,563	258,895	6,000	577,732
TEMECULA	550,368	326,829	733,437	10,000	1,620,634
WILDOMAR	250,614	151,514	333,976	6,000	742,103
MENIFEE	560,791	332,926	747,328	10,000	1,651,045

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
SACRAMENTO COUNTY					
CITRUS HEIGHTS4	75,560	329,830	633,746	7,500	1,446,635
ELK GROVE	759,961	524,125	1,012,748	10,000	2,306,834
FOLSOM	395,333	275,021	526,833	7,500	1,204,687
GALT	130,233	93,911	173,552	5,000	402,696
ISLETON	4,597	8,080	6,125	1,000	19,802
RANCHO CORDOVA	390,878	271,977	520,896	7,500	1,191,252
SACRAMENTO	2,590,949	1,775,008	3,452,778	10,000	7,828,735
SAN BENITO COUNTY					
HOLLISTER	202,503	120,748	269,861	6,000	599,112
SAN JUAN BAUTISTA	10,206	10,776	13,601	1,000	35,583
SAN BERNARDINO COUNTY					
ADELANTO	153,477	98,951	204,528	6,000	462,956
APPLE VALLEY	382,845	239,449	510,191	7,500	1,139,985
BARSTOW	130,445	84,843	173,835	5,000	394,124
BIG BEAR LAKE	34,071	25,809	325,706	2,000	387,586
CHINO	442,355	275,901	589,496	7,500	1,315,252
CHINO HILLS	450,230	280,725	599,990	7,500	1,338,445
COLTON	282,751	178,137	376,803	7,500	845,191
FONTANA	1,026,581	633,765	1,368,053	10,000	3,038,399
GRAND TERRACE	68,311	46,783	91,033	3,000	209,126
HESPERIA	478,277	297,905	637,367	7,500	1,421,050
HIGHLAND	285,937	180,089	381,049	7,500	854,574
LOMA LINDA	123,256	80,439	164,255	5,000	372,951
MONTCLAIR	201,599	128,428	268,657	6,000	604,683
NEEDLES	31,626	24,312	42,145	2,000	100,082
ONTARIO	945,935	584,366	1,260,582	10,000	2,800,883
RANCHO CUCAMONGA	949,301	586,428	1,265,067	10,000	2,810,796
REDLANDS	391,069	244,486	521,150	7,500	1,164,206
RIALTO	543,342	337,760	724,074	7,500	1,612,677
SAN BERNARDINO	1,119,137	690,460	1,491,397	10,000	3,310,995
TWENTYNINE PALMS	152,306	98,234	202,968	6,000	459,507
UPLAND	409,379	255,702	545,551	7,500	1,218,131
VICTORVILLE	584,956	363,251	779,530	10,000	1,737,736
YUCAIPA	283,541	178,621	377,855	7,500	847,517
YUCCA VALLEY	115,828	75,889	154,356	5,000	351,073
SAN DIEGO COUNTY					
CARLSBAD	565,366	375,412	753,424	10,000	1,704,202
CHULA VISTA	1,259,712	830,402	1,678,732	10,000	3,778,846
CORONADO	146,898	101,199	195,761	6,000	449,857
DEL MAR	24,943	21,284	33,240	1,000	80,468
EL CAJON	533,359	354,439	710,771	7,500	1,606,069
ENCINITAS	347,810	232,852	463,503	7,500	1,051,666
ESCONDIDO	780,912	516,655	1,040,668	10,000	2,348,235
IMPERIAL BEACH	153,580	105,577	204,666	6,000	469,824
LA MESA	308,609	207,165	411,262	7,500	934,536
LEMON GROVE	139,480	96,338	185,876	6,000	427,694
NATIONAL CITY	347,315	232,527	462,842	7,500	1,050,185

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	FY2009-10
OCEANSIDE	973,797	643,048	1,297,712	10,000	2,924,557
POWAY	278,313	187,312	370,888	7,500	844,012
SAN DIEGO	7,280,714	4,775,836	9,702,505	20,000	21,779,054
SAN MARCOS	450,628	300,226	600,520	7,500	1,358,874
SANTEE	305,353	205,031	406,922	7,500	924,805
SOLANA BEACH	73,523	53,117	97,978	3,000	227,618
VISTA	521,574	346,716	695,066	7,500	1,570,855
SAN FRANCISCO COUNTY					
SAN FRANCISCO	4,490,454	2,036,348	5,984,118	20,000	12,530,920
SAN JOAQUIN COUNTY					
ESCALON	38,836	28,617	51,754	2,000	121,208
LATHROP	94,920	62,810	126,494	4,000	288,224
LODI	345,256	215,435	460,099	7,500	1,028,290
MANTECA	361,899	225,582	482,278	7,500	1,077,260
RIPON	81,229	54,463	108,248	3,000	246,940
STOCKTON	1,578,974	967,609	2,104,190	10,000	4,660,773
TRACY	444,119	275,710	591,847	7,500	1,319,177
SAN LUIS OBISPO COUNTY					
ARROYO GRANDE	92,780	76,814	123,641	4,000	297,235
ATASCADERO	155,704	125,560	207,496	6,000	494,761
EL PASO DE ROBLES	163,024	131,230	217,251	6,000	517,505
GROVER BEACH	72,205	60,875	96,222	3,000	232,301
MORRO BAY	57,446	49,441	76,554	3,000	186,441
PISMO BEACH	47,468	41,712	63,258	2,000	154,438
SAN LUIS OBISPO	243,425	193,515	324,395	6,000	767,335
SAN MATEO COUNTY					
ATHERTON	40,710	34,442	54,251	2,000	131,403
BELMONT	142,024	107,866	189,265	6,000	445,155
BRISBANE	21,027	20,178	28,022	1,000	70,228
BURLINGAME	157,213	118,874	209,507	6,000	491,594
COLMA	8,785	11,306	11,707	1,000	32,797
DALY CITY	579,254	424,733	771,931	10,000	1,785,918
EAST PALO ALTO	179,161	134,780	238,755	6,000	558,696
FOSTER CITY	165,061	124,561	219,965	6,000	515,587
HALF MOON BAY	71,050	56,430	94,683	3,000	225,164
HILLSBOROUGH	61,389	49,429	81,808	3,000	195,625
MENLO PARK	171,498	129,227	228,544	6,000	535,268
MILLBRAE	116,476	89,351	155,219	5,000	366,047
PACIFICA	215,753	161,299	287,519	6,000	670,571
PORTOLA VALLEY	25,265	23,249	33,668	1,000	83,182
REDWOOD CITY	420,815	309,911	560,792	7,500	1,299,018
SAN BRUNO	236,601	176,408	315,302	6,000	734,310
SAN CARLOS	157,158	118,835	209,434	6,000	491,427
SAN MATEO	521,607	382,956	695,109	7,500	1,607,171
SOUTH SAN FRANCISCO	347,157	256,529	462,632	7,500	1,073,818
WOODSIDE	30,634	27,141	40,824	2,000	100,599

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL FY2009-10
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	
SANTA BARBARA COUNTY					
BUELLTON	25,597	18,866	34,111	1,000	79,573
CARPINTERIA	79,437	48,158	105,860	3,000	236,455
GOLETA	165,562	95,015	220,633	6,000	487,210
GUADALUPE	35,623	24,321	47,472	2,000	109,416
LOMPOC	233,949	132,222	311,767	6,000	683,937
SANTA BARBARA	512,773	283,919	683,337	7,500	1,487,530
SANTA MARIA	496,195	274,900	661,245	7,500	1,439,840
SOLVANG	30,253	21,399	40,316	2,000	93,968
SANTA CLARA COUNTY					
CAMPBELL	218,721	145,641	291,475	6,000	661,837
CUPERTINO	302,537	199,559	403,170	7,500	912,766
GILROY	278,694	184,221	371,396	7,500	841,811
LOS ALTOS	154,076	104,055	205,326	6,000	469,458
LOS ALTOS HILLS	48,127	35,899	64,136	2,000	150,163
LOS GATOS	164,995	111,080	219,878	6,000	501,953
MILPITAS	378,064	248,145	503,819	7,500	1,137,528
MONTE SERENO	19,492	17,478	25,975	1,000	63,945
MORGAN HILL	213,586	142,338	284,631	6,000	646,554
MOUNTAIN VIEW	402,642	263,956	536,573	7,500	1,210,671
PALO ALTO	345,104	226,942	459,896	7,500	1,039,442
SAN JOSE	5,388,904	3,471,582	7,181,420	20,000	16,061,906
SANTA CLARA	629,042	409,598	838,281	10,000	1,886,921
SARATOGA	172,054	115,620	229,284	6,000	522,958
SUNNYVALE	749,047	486,796	998,203	10,000	2,244,046
SANTA CRUZ COUNTY					
CAPITOLA	55,485	38,878	73,941	3,000	171,303
SANTA CRUZ	316,555	198,564	421,851	7,500	944,470
SCOTT'S VALLEY	63,703	43,904	84,893	3,000	195,500
WATSONVILLE	281,580	177,171	375,243	7,500	841,494
SHASTA COUNTY					
ANDERSON	58,148	59,426	77,490	3,000	198,064
REDDING	492,824	466,729	656,752	7,500	1,623,806
SHASTA LAKE	56,231	57,630	74,935	3,000	191,796
SIERRA COUNTY					
LOYALTON	4,836	6,511	36,287	1,000	48,634
SISKIYOU COUNTY					
DORRIS	4,847	9,080	6,459	1,000	21,386
DUNSMUIR	10,473	13,886	45,006	1,000	70,364
ETNA	4,253	8,573	7,800	1,000	21,627
FORT JONES	3,676	8,080	10,193	1,000	22,949
MONTAGUE	8,294	12,025	11,053	1,000	32,373
MOUNT SHASTA	20,183	22,181	143,505	1,000	186,869
TULELAKE	5,577	9,704	7,432	1,000	23,712
WEED	16,502	19,036	21,991	1,000	58,529
YREKA	40,525	39,558	69,925	2,000	152,007

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL FY2009-10
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	
SOLANO COUNTY					
BENICIA	152,371	105,415	203,055	6,000	466,841
DIXON	96,091	68,303	128,054	4,000	296,449
FAIRFIELD	581,389	388,315	774,776	10,000	1,754,480
RIO VISTA	43,956	33,924	58,577	2,000	138,457
SUISUN CITY	153,542	106,187	204,615	6,000	470,345
VACAVILLE	527,755	352,949	703,303	7,500	1,591,507
VALLEJO	661,294	441,006	881,261	10,000	1,993,561
SONOMA COUNTY					
CLOVERDALE	46,711	37,936	62,249	2,000	148,896
COTATI	41,036	33,927	54,686	2,000	131,650
HEALDSBURG	63,779	49,992	84,994	3,000	201,766
PETALUMA	312,705	225,829	416,720	7,500	962,754
ROHNERT PARK	234,520	170,601	312,529	6,000	723,651
SANTA ROSA	871,274	620,394	1,161,087	10,000	2,662,755
SEBASTOPOL	42,796	35,170	57,031	2,000	136,996
SONOMA	54,162	43,198	72,177	2,000	171,537
WINDSOR	144,670	107,133	192,792	6,000	450,595
STANISLAUS COUNTY					
CERES	233,164	151,064	310,722	6,000	700,950
HUGHSON	33,695	26,056	44,903	2,000	106,654
MODESTO	1,143,335	721,469	1,523,643	10,000	3,398,447
NEWMAN	57,653	41,070	76,829	3,000	178,552
OAKDALE	105,311	70,938	140,341	4,000	320,591
PATTERSON	115,615	77,396	154,073	5,000	352,084
RIVERBANK	118,491	79,198	157,905	5,000	360,594
TURLOCK	382,088	244,395	509,183	7,500	1,143,166
WATERFORD	47,724	34,848	63,599	2,000	148,171
SUTTER COUNTY					
LIVE OAK	46,504	34,416	61,973	2,000	144,894
YUBA CITY	344,946	223,582	459,685	7,500	1,035,713
TEHAMA COUNTY					
CORNING	39,354	30,842	52,444	2,000	124,639
RED BLUFF	75,309	54,508	100,359	3,000	233,175
TEHAMA	2,385	6,510	3,179	1,000	13,074
TRINITY COUNTY					
TULARE COUNTY					
DINUBA	114,842	73,294	153,042	5,000	346,178
EXETER	58,437	39,721	77,875	3,000	179,033
FARMERSVILLE	57,576	39,209	76,728	3,000	176,513
LINDSAY	63,153	42,528	84,160	3,000	192,841
PORTERVILLE	282,452	173,055	376,404	7,500	839,411
TULARE	312,471	190,923	416,408	7,500	927,301
VISALIA	661,691	398,780	881,791	10,000	1,952,262
WOODLAKE	40,977	29,329	54,607	2,000	126,912
TUOLUMNE COUNTY					
SONORA	26,163	32,698	34,866	1,000	94,727

Highway Users Tax⁽¹⁾ - Projected FY2009-10 Revenues

	Streets & Highways Code Sec.				TOTAL FY2009-10
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	
VENTURA COUNTY					
CAMARILLO	357,270	243,119	476,109	7,500	1,083,999
FILLMORE	85,183	61,728	113,517	4,000	264,427
MOORPARK	200,493	138,601	267,183	6,000	612,278
OJAI	44,418	34,552	59,193	2,000	140,164
OXNARD	1,061,474	712,588	1,414,553	10,000	3,198,615
PORT HUENEME	122,238	86,431	162,898	5,000	376,567
SAN BUENAVENTURA	589,601	398,006	785,721	10,000	1,783,329
SANTA PAULA	160,873	112,188	214,384	6,000	493,444
SIMI VALLEY	684,342	461,167	911,975	10,000	2,067,484
THOUSAND OAKS	700,642	472,034	933,697	10,000	2,116,373
YOLO COUNTY					
DAVIS	358,430	246,621	477,655	7,500	1,090,207
WEST SACRAMENTO	256,337	177,782	341,603	6,000	781,723
WINTERS	38,406	30,836	51,181	2,000	122,423
WOODLAND	304,258	210,094	405,463	7,500	927,315
YUBA COUNTY					
MARYSVILLE	69,825	43,652	93,050	3,000	209,527
WHEATLAND	19,132	15,547	25,496	1,000	61,175
Total					
	\$171,961,634	\$107,226,280	\$233,507,584	\$2,636,500	\$515,331,998

Notes:

1. Projections based on actual allocations as reported by the California State Controller. The Highway Users Tax is also known as the "Motor Vehicle Fuel Tax", the "Gasoline Excise Tax" and "Article XIX Revenues."
2. Rolling Hills has no public streets and is therefore not eligible for Highway Users Tax allocations.
3. Rev&Tax 2105, 2106 and 2107 amounts are paid monthly. Includes special payments for snow removal.
4. Rev&Tax 2107.5 amounts are typically paid by the State Controller once per year in July.

**NIELSEN, MERKSAMER,
PARRINELLO, MUELLER & NAYLOR, LLP**
ATTORNEYS AT LAW
1415 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752 FAX (916) 446-6106

June 12, 2009

**PRIVILEGED AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION**

TO: Chris McKenzie, Executive Director
League of California Cities

FROM: Richard D. Martland

RE: Highway Users Tax Account

You have asked that we review the Governor's proposal to allocate 25% of the revenues in the Highway Users Tax Account (HUTA) to the state for payment of current debt service and reimbursement of the State for the payment of prior debt service on voter approved transportation-related state issued bonds. The entire 25% is to come from HUTA funds allocable to cities and counties. While one cannot predict how the courts might rule, for the reasons stated below, it is our opinion that the most reasonable interpretation of the relevant constitutional provisions is that reallocation to the state of the cities' and counties' allocation under HUTA would violate Article XIX, sections 3, 5 and 6 of the California Constitution.

Proposition 5, placed on the June Primary 1974 election ballot by the Legislature, amended then Article XXVI of the California Constitution (since renumbered Article XIX) to provide cities and counties greater control over their allocation of funds from the Highway Users Tax Account (HUTA). For the first time, authorization was granted to use HUTA funds for the payment of debt service on voter approved transportation-related bonds. (*City of Costa Mesa v. Connell* (1999) 74 Cal.App.4th 188, 195.) Section

5 of Article XIX provides that the state and cities and counties may use up to 25% of their respective allocations of HUTA funds for the payment of debt service on voter-approved bonds for research, construction, improvement, maintenance and operation of public streets and highways. Specifically:

The Legislature may authorize up to 25% of the revenue available for expenditure by any city or county, or by the State, for the purposes specified in subdivision (a) of Section 1 of this article to be pledged or used for the payment of principal and interest on voter approved bonds issued for such purpose.

The Legislature has provided such authority to cities and counties in Streets and Highway Code section 2107.4 and to the State in Government Code section 16965. Neither sections 2107.4 and 16965, nor Article XIX section 5, provide that the State may use the cities' and counties' allocation of HUTA funds to fund the State's debt service on voter approved transportation-related state issued bonds. The Governor's proposal, in essence, reallocates HUTA funds otherwise allocable to cities and counties to the State to meet the State's General Fund obligations for current debt service and to reimburse the General Fund for payments of prior debt service on voter approved transportation-related state issued bonds.

The manner in which HUTA funds are allocated to cities and counties is governed by statute (See Streets and Highways Code sections 2100 to 2128.1). Proposition 5 restricted the power of the Legislature to amend these provisions, as they existed when Proposition 5 was adopted. Article XIX, section 3 provides:

"The Legislature shall provide for the allocation of the revenues to be used for the purposes specified in Section 1 of this Article in a manner which ensures the continuance of existing statutory allocation formulas for cities, counties, and areas of the State, until it determines that another basis for an equitable, geographical, and jurisdictional

distribution exists; provided that, until such determination is made, any use of such revenues for purposes specified in subdivision (b) of Section 1 of this article by or in a city, county, or area of the State shall be included within the existing statutory allocations to, or for expenditure in, that city, county, or area. *Any future statutory revisions shall provide for the allocation of these revenues, together with similar revenues, in a manner which gives equal consideration to the transportation needs of all areas of the State and all segments of the population consistent with the orderly achievement of the adopted local, regional, and statewide goals for ground transportation in local general plans, regional transportation plans, and the California Transportation Plan.*" (Emphasis added.)

Reallocation to the State of 25% of the cities' and counties' total allocation from HUTA is inconsistent with the italicized language, above, and section 5. In effect, the Governor is treating HUTA as a general revenue source which the State may tap to meet its own debt service obligations. The Governor's proposal is not only inconsistent with sections 3 and 5, but with section 6, added by the Legislature to Article XIX in 1998 as part of Proposition 2 on the November election ballot. Section 6 permits the State to borrow funds from HUTA for one fiscal year, three if the Governor proclaims a fiscal emergency or the estimated revenues for the current fiscal year are less than the aggregate revenues of the preceding year, adjusted for changes in cost of living and population.

In the official ballot pamphlet for the November 1998 General Election, the Legislative Analyst, in describing Proposition 2, set forth the general background of transportation funding, stating in part:

Currently, revenues derived from the gas tax on motor vehicle fuel used in vehicles on public roads and revenues from fees and taxes on motor vehicles are restricted to specified transportation purposes by the California Constitution. The State Constitution, however, permits these revenues to be loaned temporarily to the

state General Fund with the condition that the loaned amount must be repaid. The state General Fund supports non-transportation activities such as education, corrections, and health and social services programs.

The Analyst then described the changes that would be made by Proposition 2 by stating in part:

This measure amends the California Constitution to restrict the conditions under which state transportation funds, including gas tax revenues, revenues from fees and taxes of motor vehicles and their use, and funds in the Public Transportation Account, can be loaned to the state General Fund. Specifically, loans to the state General Fund in any fiscal year must be repaid within that fiscal year, except the repayment may be delayed up to 30 days after a state budget is enacted for the subsequent fiscal year. Loans extending over the fiscal year may be made only if the Governor declares a state of emergency which would result in a significant negative impact to the General Fund, or if there is a decrease in General Fund revenues from the previous year's level. Loans extending over the fiscal year must be repaid in full within three fiscal years.

The Attorney General's title and summary for Proposition 2 stated in part:

Requires loans of transportation related revenues to the General Fund be repaid the same fiscal year, or within three fiscal years if the Governor declares an emergency significantly impacting the General Fund or General Fund revenues are less than the previous fiscal year's adjusted revenues.

There was no argument in the ballot pamphlet opposing Proposition 2. The argument in support of Proposition 2 stated in part:

Proposition 2 will prevent the Governor and the Legislature from borrowing transportation funds for other purposes except in specified economic emergencies. And it requires a prompt payback when they borrow. PROPOSITION 2 WILL RESTORE CALIFORNIA'S TRANSPORTATION TRUST FUNDS.

The reasonable interpretation of Proposition 2 is that it permits funds from HUTA to be used for General Fund purposes *only* if borrowed and repaid within the specified periods. To suggest that because Proposition 2 does not expressly prevent an outright diversion of HUTA funds for General Fund purposes, such diversion is authorized, would ascribe to the Legislature and the Legislative Analyst an intent to deceive the voters. In *Giles v. Horn* (2002) 100 Cal.App.4th 206, 220 the court stated: "We must select the construction that comports most with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoid an interpretation that would lead to absurd consequences."

The potential ramifications of the Governor's action on the cities' and counties' allocation of HUTA funds is significant. Reimbursement of the State for payment of prior debt service is merely a means of placing revenues in the General Fund for General Fund purposes not for the payment of existing debt. Thus, under the guise of reimbursing the state for prior payment of debt service, the Governor could determine the aggregate amount paid over time for debt service on transportation-related state-issued bonds, and each year reallocate a portion of the cities and counties allocation of HUTA funds to the General Fund until all prior debt service has been reimbursed.

For the reasons stated above, it is our opinion that the most reasonable interpretation of Propositions 5 and 2 is that they do not permit reallocation to the State of the cities' and counties' allocation of HUTA funds through any mechanism other than borrowing in accordance with Article XIX section 6.