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SENATOR KEVIN DE LEÓN  
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**SB 767 (De León) Los Angeles County  
Traffic Reduction and Mobility Improvement Initiative**

**PURPOSE**

Allow Los Angeles County voters to decide if the local sales tax should be increased to fund transportation projects to improve public transit, reduce traffic congestion, and promote sustainable regional development.

**BACKGROUND**

Los Angeles is one of the nation's most congested transportation corridors. According to the Texas Transportation Institute's 2012 Mobility Report, an auto commuter in Los Angeles spends an average of 61 hours delayed in traffic per year, costing about \$1,300 per year in lost time and wasted fuel due to congestion. These numbers will increase as the county's population will grow by one and a half million people in the next 30 years.

At the state level, investments to preserve California's transportation system have not been sufficient to meet demand. In real terms, funding has diminished while the demand and the cost to maintain and operate the transportation system have soared. Traditional fuel tax revenues are not keeping pace with inflation, and the proliferation of fuel-efficient cars and alternative fuel vehicles, among other factors, are reducing this funding.

Consequently, local transportation agencies have turned to the voters to provide the authority and funding for priority transportation projects. These voter-approved sales tax measures have addressed some of the transportation need at a regional level. In Los Angeles, Measure R was approved by a majority of the voters in November of 2008. Due to California's county sales tax cap of a combined 2% and Los Angeles' existing sales taxes, AB 2321 (Feuer, 2008) was introduced and chaptered to allow the Los Angeles Metropolitan Authority (LA Metro) to levy an additional sales tax and put Measure R on the ballot. That measure enacted a half-cent transaction and use tax increase; raising LA County's sales tax to a minimum 9% (several cities have raised it to 9.5%). The Measure R sales tax increase, effective for 30 years, finances transportation projects and programs, and accelerates those that were already in the pipeline.

Measure R is transforming Los Angeles County. The transit and highway projects now being constructed will relieve congestion and improve air quality. Measure R is also supporting cities by providing funding for local transportation improvements and by supporting the municipal transit operators throughout the county. The Los Angeles Economic Development Council estimated in 2008 that Measure R projects will create 166,000 jobs.

Although Measure R is drastically changing transportation in Los Angeles, further investment is necessary. Residents, local governments, and transportation leaders in the region believe there are thousands of worthy projects, particularly transit projects, which will not be funded by Measure R. An additional sales tax will allow Los Angeles County to further expand its transit system, address key highway needs around the county, support local agency transportation programs, and improve the Metrolink service.

If an additional sales tax increase is authorized by state law, LA Metro will be able to go to the voters once more and ask if they would support raising taxes for transportation purposes. To that end, LA Metro is working with subregional Councils of Governments (COGs) to develop priorities for a countywide expenditure plan to be approved by local voters. LA Metro has asked the subregions to develop their unfunded transportation priorities. The information collected will allow Metro to use a bottom-up approach in planning for a new transportation sales tax measure that reflects the unique needs of each area of the county.

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## **PROPOSAL**

Existing state law authorizes cities and counties to impose transaction and use taxes in 0.125% increments in addition to the state's 7.25% sales tax, provided that the combined rate in the county does not exceed 2%. The law requires approval by the Board of Supervisors and voter approval for the ordinance.

This measure would:

- Authorizes the Los Angeles County Metropolitan Transportation Authority (LA Metro) to impose, by ordinance and subject to 2/3 voter approval, an additional sale and use tax in LA County of up to 1% when combined with Measure R.
- Require the ordinance imposing a tax to contain an expenditure plan, to be approved by the LA Metro Board, listing the transportation projects and programs to be funded from net revenues from the tax.
- Allow LA Metro to incur bond debt payable from the net revenues of the tax.

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## **SUPPORT**

Amalgated Transit Union  
California Asphalt Pavement Association  
CALPIRG  
CH2MHill  
Climate Resolve  
Culver City Mayor Meghan Sahli-Wells  
Los Angeles Community College District  
Los Angeles Mayor Eric Garcetti  
Los Angeles Metropolitan Transportation Authority (Sponsor)  
Los Angeles/Orange Counties Building and Construction Trades Council  
Los Angeles River Revitalization Cooperation  
Mobility 21  
Move LA  
Southern California Association of Governments (SCAG)

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