



# SB 1: Debunking the Myths

We want to cement the facts.

The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation solution that provides new revenues for road safety improvements such as filling potholes and repairing local streets, highways, and bridges. SB 1 provides transportation investments in **every** community, improving the quality of life for all Californians. SB 1 includes strict accountability provisions to reduce waste and bureaucracy and dedicates all funds to transportation improvements. Opponents of SB 1 are spreading false information and flat-out untruths full of potholes.

## 1. MYTH — *Practically none of the SB 1 funds will be used to fix our roads.*

**FACT**

**SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, bridges, tunnels and overpasses. SB 1 also provides investments in mass transit to help relieve congestion. In total, SB 1 will provide:**

- \$1.5 billion for the State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$250 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access on streets, roads and highways for bicyclists and pedestrians
- \$750 million for mass transit

## 2. MYTH — *SB 1 will cost California families upwards of \$700 a year.*

**FACT**

**The California Department of Finance calculated that the average cost to motorists is roughly \$10/month. Here's the math:**

- **Registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.

- **Fuel:** California's 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.

The annual average cost per driver is:

Vehicle Registration	\$47.85
Fuel	\$69.24
<b>Total</b>	<b>\$117.09 per year OR \$9.76 per month</b>

**3.** *MYTH — SB 1 funds go directly into the state's General Fund, meaning there's zero guarantee the money will be used to fund transportation improvement projects.*



**No funds from SB 1 go into the General Fund. Revenues go directly into transportation accounts and are constitutionally protected.**

Article XIX of the California Constitution already protects the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. This accounts for about 60% of the revenues generated by SB 1. Prop 69, a constitutional ballot measure which will go before the voters in June 2018, extends these same constitutional protections to the remaining 40% of new revenues generated by SB 1. It's also important to remember, all gas tax moneys that were loaned in prior decades to the General Fund will have been repaid under SB 1.

**4.** *MYTH — There is no oversight.*



**SB 1 strengthens the oversight and audit process by establishing an independent Inspector General who is appointed by the Governor to oversee projects and programs to ensure all SB 1 funds are spent as promised and to reduce bureaucracy, waste, and red tape. The Inspector General is also required to report annually to the state Legislature.**

Furthermore, SB 1 has significant accountability and transparency provisions designed to ensure the public has full access to information on how their tax dollars are being invested. Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for every single dollar of SB 1 revenue they receive. Bottom line: SB 1 includes provisions to streamline projects by cutting red tape to ensure transportation funds are spent efficiently and effectively.

**5.** *MYTH — None of the new funds can be used to build new roads.*



**SB1 funds can and will be used to build new roads and increase capacity on our roads and highways.**

- SB 1 funds will be used to restore the State Transportation Improvement Program (STIP). The CTC previously cut and delayed \$1.5 billion in projects from STIP, including new capacity projects, which are now eligible to move forward.
  - There is \$200 million annually in SB 1 for self-help counties that can be used on new roads and capacity increasing projects.
  - SB 1 includes \$250 million annually for congested road and highway corridors and \$300 million for the trade corridor programs, which can both fund increased capacity.
  - Lastly, while cities and counties will primarily (initially) be using local funds on “fix it first” projects to repair roads in bad shape, local governments can use these funds for new roads and capacity enhancements, **especially once their road conditions are brought up into a state of good repair.**
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**6.** *MYTH — California can dedicate existing General Fund revenues to fix transportation.*

**FACT**

**California has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition. If we were to use funds from the General Fund, we would need to pull \$130 billion from important areas like education, healthcare, public safety, and other programs that Californians rely upon.**

SB 1 follows the user-pay model where everyone pays their fair share and all drivers pay a little more to fix the roads they drive on. It's a responsible, accountable way to fix our roads.

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**7.** *MYTH — SB 1 impacts on our economy are minimal.*

**FACT**

**SB 1 is a job creator.** The White House Council of Economic Advisors found that every \$1 billion invested in transportation infrastructure supports 13,000 jobs a year. With the \$5 billion annually planned from SB 1, this measure will put 650,000 people to work rebuilding California over the next decade.

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**8.** *MYTH — California's working families and businesses cannot afford this tax increase.*

**FACT**

**California motorists currently pay \$739 per year, on average, in extra vehicle repair costs due to wear and tear because of the poor condition of our roads.** With SB 1, CA drivers will save money by driving on improved roads and will need fewer vehicle repairs.

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**9.** MYTH — *SB 1 funds are being diverted to CSU and UC for research.*

**FACT**

SB 1 directs \$7 million (one-tenth of one percent of total SB 1 revenues) to CSU and UC transportation research institutions for research directly related to improving transportation technology, practices, materials, and impacts to the environment.

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**10.** MYTH — *According to polling, Californians oppose the gas tax increase. They will support a ballot measure to repeal SB 1.*

**FACT**

Polls consistently show voters are fed up with California's bad roads and will support new revenues to get them fixed. If a repeal measure makes it on the November 2018 ballot, we are confident voters will want to preserve funding to provide safer roads and bridges, improve congestion, and fix potholes.

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**11.** MYTH — *California Gov. Jerry Brown has proposed "diverting 30 percent of the funding" from the state's gas tax increase "to non-road related projects like building parks and lifeguards."*

**FACT**

A percentage of the existing gas tax revenue related to fuel sales from boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) has always gone toward supporting infrastructure related to these economic and recreational activities. The percent of gas tax revenues collected from these sources is two percent (2%).

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**12.** MYTH — *Some of the funds raised by SB 1 will be used to repay outstanding loans from certain transportation funds.*

**FACT**

**All outstanding transportation loans are being repaid by the General Fund.** In fact, the FY 2016-17 state budget already started to repay those loans. SB 1 requires all loans to be repaid by 2020.

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**13.** MYTH — *SB 1 dollars will be diverted to fund high-speed rail.*

**FACT**

No funds raised from SB 1 will be used to fund high-speed rail. California's state-maintained transportation infrastructure will receive roughly half of SB 1 revenue: \$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes. There is no remaining balance that could be used for the high-speed rail project. A full overview of how the funds are allocated can be found at [www.FixCARoads.com](http://www.FixCARoads.com).

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