

To: Orange County Legislative Delegation

From: Reed Royalty, President Emeritus, Orange County Taxpayers Association (OCTax)

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## **SB 1077 (DeSaulnier): Mileage-Based Fee Pilot Program**

### **OCTax Position: OPPOSE**

SB 1077 would require the California Transportation Agency to develop a mileage-based fee to replace the state's existing fuel excise tax.

OCTax position: there are several intractable inequities in SB 1077.

- Most egregiously, it's not a "fee" at all. It's a tax increase. As the Howard Jarvis Taxpayers Association points out, it's called a "fee" so that it can be passed, and increased, with a simple majority vote, thereby evading Proposition 13's requirement that tax increases be approved by a 2/3 vote of the Legislature.
- A "mileage tax" would be unfair. The driver of small car would pay the same rate as the driver of a massive sedan. Wealthy drivers in compact San Francisco would pay less than the minimum-wage workers who commute thirty miles from the desert to jobs in Los Angeles and Orange County.
- SB 1077 would give bureaucrats access to personal information on individual drivers' use of their vehicles. How might that information be used?
- California's gas taxes already are near the highest in the nation (second only to Hawaii) despite our generous oil reserves.

A Reason Foundation study ranks California 47<sup>th</sup> out of 50 for worst roads in the nation. OCTax thinks that's because the state diverts gas tax revenue to other projects. If our suspicion is correct, we can solve two nasty problems at once: stop diverting the gas tax revenue, and abandon SB 1077.