



# **Proposition 22** **The Local Taxpayer, Public Safety,** **and Transportation Protection Act of 2010:**

## ***What it Means for Public Transit***

The Local Taxpayer, Public Safety, and Transportation Protection Act of 2010 would **protect public transportation funding** in the following ways:

- Strengthens the status of the **Public Transportation Account (PTA)** as a trust fund.
- Prohibits the practice of loaning or transferring **PTA** funds to the General Fund, and prohibits borrowing or using the money in the **PTA** for any purposes other than “transportation planning” and “mass transportation,” as defined.
- **Defines mass transportation** as surface transportation, operated by bus, rail, ferry, etc; generally for which a fare is charged; and provided by any transit district, joint powers authority, or other agencies that already receive funds for these purposes. School buses are not included under this definition.
- Requires that the sales tax on diesel fuel, the only remaining core revenue source historically flowing into the PTA, shall be deposited quarterly into the PTA. It also requires that PTA revenue be continuously appropriated. This revenue source has produced an average of \$350 million per year since 2007-08. As part of the “gas tax swap” package, the Legislature raised the rate of sales tax on diesel starting in 2011-12. **The Department of Finance estimates this source should generate \$431 million in 2011-12.**
- Requires half these core PTA revenues to be spent on the **State Transit Assistance (STA) Program** – which can fund either transit operations or transit capital projects, and requires the other half of these core revenues to be spent on the historic **state, regional and local transit purposes** funded in the budget, such as the intercity rail program, or transit capital projects in the **State Transportation Improvement Program (STIP)** and **Interregional Transportation Improvement Program (ITIP)**.
- Strengthens the status of local transportation funds as trust funds. Prohibits the legislature from reducing, diverting, transferring, appropriating, or using the one-quarter cent county sales tax that is deposited into local transportation funds for any purposes other than the historic public transit and streets & roads purposes. This local revenue source, which was created by the **Transportation Development Act (TDA)** of 1971, **generates about \$1.4 billion annually.**
- Prohibits the legislature from interfering in any way with **locally imposed taxes**, including half-cent sales taxes dedicated to transit and transportation purposes. This means the state can’t use the proceeds, reallocate them to some other agency, restrict how a local government uses the proceeds, or borrow them.
- If approved by the voters, **this ballot measure would protect nearly \$1.8 billion per year** in PTA and TDA funding for public transportation (and not counting local ballot measure sources of transit funding).