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CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

915 I STREET SACRAMENTO, CALIFORNIA 95814
CITY HALL ROOM 207 TELEPHONE (916) 449-5281

M. H. JOHNSON
Director

February 27, 1985

Law and Legislative Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: SB-290 (Foran)

SUMMARY

This bill would raise the state gasoline tax by five cents per gallon and make other changes in taxation and distribution. It would provide about \$3,000,000 more per year for the City of Sacramento.

BACKGROUND

Senator Foran has introduced SB-290 to increase gasoline taxes by five cents per gallon. Among other things, this bill would provide three cents for local streets and roads. He has pointed out that local streets throughout the state are deteriorating at an alarming rate. The report entitled "The Street Maintenance Story" recently presented to the Budget & Finance Committee and the Transportation & Community Development Committee describes the situation in this city.

On the recent State Capitol visit, 1985 members of the Sacramento Metropolitan Chamber of Commerce met with many state officials to discuss transportation funding problems in this area. Most of the discussion centered around Senator Foran's bill and the Governor's statement that he is not willing to approve any increased taxes. It was concluded that a lot of local support will be needed to solve this problem in the foreseeable future. If action is delayed the streets will deteriorate further and cost many times more to reconstruct.

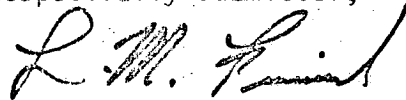
FINANCIAL DATA

If the state does not increase gas taxes for local roads the city (or county) will have to. A local tax will be difficult, if not impossible, to pass based on experience in other counties.

RECOMMENDATION

It is recommended that the city support SB-290.

Respectfully submitted,



Leslie M. Frink
Deputy Director of Public Works

APPROVED



Melvin H. Johnson
Director of Public Works