

Raising New Transportation Funding
Working Group Meeting
Notes from conference call July 13, 2005

Participants: Andy Katz, Amber Crabbe, Christine Safriet, Robert Hickey, Jeremy Nelson, Irvin Dawid

Agenda:

- Exploring different policy options – vehicle license taxes, user fees, impact mitigation fees
- Regressivity & equity issues
- Current legislation
- Research needs

The group continued to discuss policy options for generating additional funding for transit, and reaffirmed its commitment to a regional approach. Research was presented on types of vehicle taxes, licensing, registration, and impact mitigation fees, including the legislative process for implementation. Current legislation relating to vehicle fees/taxes was reviewed. The issue of voter fatigue was raised – If current legislation passes, will voters get tired of adding fees/taxes to their vehicle bills? There exists the possibility of excluding cities or counties with excessive legislation (if AB 799 (Leno) passes in SF).

Data regarding regressivity and incidence of various fee and tax options was discussed. The differences between incidence and equity were raised, and group members wanted to know more about the difference between the apparent regressivity of various fees and the equity implications of such fees.

A matrix of fees and tax options, as requested at the last meeting, was also presented. The group decided that additional time to read and digest the material was necessary before choosing a particular strategy for the group to focus on. (Contact TALC for copies of research report or matrix.)

The following topics/questions were suggested for more research:

- Terminology: Clarify language around fees and taxes – which current VLF/VRFs are fees? Taxes? Is there a difference between a user fee and an impact mitigation fee?
- Equity: So far our research has focused on income equity, but not other types. What other factors are critical? What is the relationship to regressivity and incidence of current vehicle fees/taxes? Do benefits accrue to low-income users? Suggestion – *Redefining Progress* report for examples/ideas for mitigating impact on low-income households, i.e. transportation tax credits, etc.
- Legislation: Is there currently legislation in place to enable additional fees/taxes? Ex. AB 595 (Valerie Brown), Air Quality, MTC
- Expenditures: How strict is the nexus requirement for fees/taxes? Look to existing legislation and case law for examples.

Jeremy Nelson will chair the working group in the future.

Next meeting set for Wednesday, August 10 at 12:30. There is some interest in rescheduling to another day or time.

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