

RESOLUTION NO. 73919

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE OPPOSING ANY CHANGE TO THE PROPOSITION 42 FORMULA ALLOCATIONS OR FORMULA SPLITS

WHEREAS, Proposition 42, as approved by the state voters, includes formula allocations or formula splits, with the State Transportation Improvement Program (“STIP”) receiving 40 percent of the funds, and cities, counties and transit each receiving 20 percent of the funds; and

WHEREAS, the California State Assembly has recently approved a motion to capture spillover revenues under Proposition 42, then to change the Proposition 42 allocation formula in FY 2008-2009, which would reduce STIP funding to 35 percent of the Prop 42 funds, reducing cities and counties funding to 15 percent, and increasing the transit share to 35 percent; and

WHEREAS, spillover funds are generated when sales tax on gasoline sales outpaces sales tax on other taxable goods in a given year, and are subject to substantial risks, with future revenues subject to the volatility and unpredictability of funding based on the future price of gasoline; and

WHEREAS, the passage of any change to capture spillover revenue under Proposition 42 and to change the existing Proposition 42 allocation formula could jeopardize and destabilize local street and road funds, and would impact San José’s ability to plan for and address these critical needs;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Council of the City of San José opposes any change to the Proposition 42 formula allocations or formula splits between the State Transportation Improvement Program (STIP), cities, counties and transit.

ADOPTED this 26th day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk