

Debunking DeMaio's Doozies

When it comes to promoting Proposition 6, politician Carl DeMaio has a tortured relationship with the truth. He's pushing Proposition 6, the transportation funding repeal measure, by his own admission to help elect more Republicans to office. DeMaio will say anything to try to make his case. But a quick fact check reveals that DeMaio is flat out wrong on the facts. Here are some prominent examples.



1. DeMaio Doozie #1—The money all goes to the General Fund and none of the money goes to new roads.

- That is unequivocally false. Not a single dollar of gas tax funds goes to the General Fund.
- Gas tax dollars are dedicated to the Motor Vehicle Fuel Account and the Highway Users Tax Account which are constitutionally and statutorily dedicated to transportation improvements.
 - Sources:
 - California Constitution Article XIX, Section 2: *“Revenues from taxes imposed by the State on motor vehicle fuels for use in motor vehicles upon public streets and highways...shall be deposited in the Highway Users Tax Account...which is hereby declared to be a trust fund...”*
 - California Constitution Article XIX, Section 1: *“The Legislature shall not borrow revenue from the Highway Users Tax Account...and shall not use these revenues for purposes...other than those specifically permitted by this article.”*
 - Revenue & Taxation Code, Sections 7360(a)(1), 8651(a)(5) & 7392; Section 7360(b)(1); Sections 60050(b)(1) - (2) & 6201.8.
- Furthermore, 81% of voters overwhelmingly passed Prop 69 in June, constitutionally preventing Sacramento politicians from raiding the new transportation improvement fees (vehicle fees) and ensuring these funds are only used for transportation improvements.
 - Sources:
 - California Constitution Article XIXD, Section 1: *“...revenues derived from vehicle fees imposed under the Vehicle License Fee Law pursuant to Chapter 6 (commencing with Section 11050) of Part 5 of Division 2 of the Revenue and Taxation Code, or its successor, over and above the costs of collection and any refunds authorized by law, shall be used solely for transportation purposes, as defined by Section 11050 of the Revenue and Taxation Code, as that section read upon enactment of the Road Repair and Accountability Act of 2017...”*
- According to the nonpartisan, independent Legislative Analyst's review of Proposition 6, *“The State Constitution requires that nearly all of these new revenues be spent on transportation purposes... about two-thirds of the revenues (are dedicated) to highway and road repairs, with the remainder going to other programs (such as for mass transit).”*
- The fact is Proposition 6 will eliminate funding for more than 6,500 local transportation improvement projects underway in every California community, including:
 - 3,727 projects fixing potholes and repaving crumbling, unsafe roads

FACT

- 1,571 projects dedicated to improving road and driver safety
- Repairs or replacement of 554 bridges and overpasses
- 337 projects relieving traffic congestion
- 453 improvements to public transportation operations and services including buses and rail to increase reliability, and
- 442 projects improving pedestrian safety

2. DeMaio Doozie #2 – California can use existing revenues to fix our roads. We could fix all of our roads if we simply allocated 100 percent of gas tax revenues to roads.

FACT

- One hundred percent of gas tax revenues **ARE constitutionally dedicated** to transportation improvements.
 - Sources:
 - California Constitution Article XIX, Sections 1 & 2:
 - Revenue & Taxation Code, Sections 7360(a)(1), 8651(a)(5) & 7392; Section 7360(b)(1); Sections 60050(b)(1) - (2) & 6201.8.
- Despite this, California still has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition.
- That’s because California has not increased transportation funding in more than 23 years and current funding has not kept pace with demand or inflation.
- If we were to use funds from the General Fund, we would need to pull \$130 billion from important areas like education, healthcare, public safety, and other programs that Californians rely upon.
- Proposition 6 eliminates more than \$5 billion annually in existing funding currently being used on more than 6,500 road and bridge safety, congestion relief and transportation improvement projects all over the state.

3. DeMaio Doozie #3—Prop 6 will save families upwards of \$700 a year.

FACT

- This measure is a bad deal that will cost drivers more in the long run.
- The average California driver already spends \$739 dollars per year on front end alignments, shocks and tire repairs because of driving on bad roads.
- Stopping projects that fix our roads means more car repairs and more money out of drivers’ wallets.
- According to the State Department of Finance, the transportation funding law will only cost California drivers around \$10 per month. Here are the facts:
 - **Vehicle registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.
 - **Fuel:** California’s 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.

- Thus: The annual average cost per driver is: Vehicle Registration \$47.85 + Fuel \$69.24. **Total = \$117.09 per year OR \$9.76 per month**
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4. DeMaio Doozie #4—Prop 6 will immediately lower what you pay at the pump.

- Prop 6 does not contain one single provision requiring gas prices to be lowered by oil companies or retailers. There are NO guarantees gas prices will be reduced.
- The only guarantee is that Proposition 6 will immediately eliminate \$5 billion annually in existing transportation funds dedicated to transportation improvements. Proposition 6 is guaranteed to make our roads, bridges and transportation system less safe, more congested and more deteriorated.

FACT

5. DeMaio Doozie #5 -- Prop 69 has loopholes and the funds can still be diverted by politicians.

- False. Prop 69 does not allow any borrowing or diversions, even under fiscal emergencies.
- Furthermore, Proposition 22, passed by the voters in 2010, eliminated the ability of the Legislature to borrow gas taxes, even in a fiscal emergency.
 - Sources:
 - California Constitution Article XIX

FACT

6. DeMaio Doozie #6— There's a "better way". DeMaio's plan would divert sales taxes on cars.

- DeMaio's proposal is unworkable, unconstitutional and clearly not serious.
- DeMaio's "plan" would divert local government revenues from sales taxes on cars that currently fund police, fire, emergency services, parks, libraries and even local transportation improvements -- and redirect these dollars to the state.
- It undermines local control -- and would just rob locals of important funding for public safety, emergency response, and critical local services.

FACT