

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 15, 2022**

MINUTE ORDER NO. 22

**SUBJECT: REQUEST FOR TEMPORARY SUSPENSION OF STATE GAS TAX
(DISTRICTS: ALL)**

OVERVIEW

With soaring gas prices, increasing utility costs, skyrocketing housing costs, and the rising cost of consumer goods due to inflation, many San Diegans struggle, now more than ever, to afford basic needs. Many seniors, living on fixed incomes, struggle to pay their monthly bills. In late February, San Diego County recorded its highest average gas prices in history. Global gas prices are rising, and California residents are experiencing the most exorbitant rates in the nation. To alleviate the financial burden of the climbing gas prices in California, a temporary suspension of the \$0.51 per gallon state gas tax is necessary.

Traditionally, the state gas tax is used to pay for road maintenance and repairs throughout the state. To compensate for the tax suspension and cover road maintenance and safety costs, the Governor and State legislature should use the estimated \$45 billion state budget surplus. For Fiscal Year 2021-22, the State's gas tax is expected to raise approximately \$6.8 billion from gasoline purchases for vehicles using public roads, according to the State's Legislative Analyst Office. Using only 15% of the projected State surplus can lower gas prices by 51 cents per gallon throughout California this year.

Today's action would request a one-year suspension of the State gas tax and utilization of the budget surplus to ensure maintenance of California's roads and infrastructure. By supporting this proposal, the Board of Supervisors can advocate for a temporary solution to the increasing financial burdens experienced by San Diego's residents and businesses.

RECOMMENDATION(S)

SUPERVISOR JIM DESMOND AND SUPERVISOR JOEL ANDERSON

Direct the Chief Administrative Officer to draft a letter to the Governor and San Diego County's State legislative delegation requesting a temporary one-year suspension of the State of California's gas tax and a request to back fill the funds using the State's budget surplus.

EQUITY IMPACT STATEMENT

The majority of San Diegans use gasoline powered vehicles as their primary mode of transportation. Gas prices throughout the state are at an all-time high and continue to rise. Many San Diegans are unable to afford low and zero-emission vehicles, leaving the financial burden of the gas tax on lower income people. This puts our underserved communities and communities of color and those impacted by the pandemic at an even greater disadvantage.

The County of San Diego has committed to advancing equity and established a goal supporting a strong and equitable recovery while improving the quality of life throughout the region. Alleviating the financial burden of rising gas costs is critical to advancing our efforts.

FISCAL IMPACT

In the Fiscal Year 2021-22 Operational Plan in the Department of Public Works (DPW), gas tax revenues of \$103,611,740 are included. The funding source is State Highway User Tax Account (HUTA) and Road Maintenance Rehabilitation Account (RMRA). If the gas tax is suspended for one year, to maintain current service levels, DPW would request \$103,611,740 in State budget surplus funding for that period to continue delivering program requirements to maintain the County's 2,000 centerline miles of public roads and associated facilities, continue the Road Resurfacing program to get County roads to a pavement condition index (PCI) of 70, and execute the Capital Improvement Program to address critical infrastructure projects throughout the unincorporated areas. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

If approved, these recommendations will have a positive impact on the business community by lowering gas and travel costs for businesses and their employees and by providing additional consumer spending opportunities.

ACTION:

ON MOTION of Supervisor Desmond, seconded by Supervisor Anderson, the Board of Supervisors directed the Chief Administrative Officer to draft a letter to the Governor and San Diego County's State legislative delegation requesting a temporary one-year suspension of the State of California's gas tax, that a mechanism be developed that would ensure that cost savings go to the consumers, and requesting to back fill the funds using the State's budget surplus, as well as indicating support for the Governor's proposal to offer a tax rebate to ease the pain of rising gas prices.

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

