



April 9, 2019

The Honorable Ben Allen  
California State Senate  
State Capitol, Room 4076  
Sacramento, CA 95814

RE: **SB 732 (Allen) – OPPOSE**

Dear Senator Allen,

The San Bernardino County Transportation Authority (SBCTA) respectfully opposes SB 732, legislation that would authorize the South Coast Air Quality Management District (SCAQMD) to pursue a voter approved multi-county sales tax measure for environmental incentives.

SBCTA represents 24 cities and 5 supervisorial districts in the largest geographic county in the continental U.S. SBCTA is well acquainted with the challenges facing regional planning agencies, more importantly those agencies representing self-help counties.

In 1989 and again in 2004, the voters of San Bernardino County supported a ½ cent transactions and use tax to support transportation projects. Voter support for these measures was based largely on a few important facts. First, that the measure was very prescriptive, defining where and how the dollars would be spent throughout the county. Second, that the measure provided residents with assurances that the tax dollars generated in their respective regions would be allocated on a return to source methodology for specific pre-determined transportation projects.

Unfortunately, SB 732 does not provide the same assurances; there is no requirement for an expenditure plan defining how the funds would be employed to improve air quality, no requirement for tangible performance measurements, nor a commitment for return to source to ensure equity across the SCAQMD. Thus, tax dollars generated from San Bernardino County could be spent anywhere in the SCAQMD District. Furthermore, the tax could be implemented even if the majority of San Bernardino County residents oppose the measure.

SB 732 is modeled after the Carl Moyer program which provides incentives to address emissions from mobile sources over which the SCAQMD has no jurisdictional oversight. Regrettably, there is no requirement that fleets accept the conversion funding, nor does it address the overwhelming number of out-of-state vehicles moving goods in and out of the state.

Like Carl Moyer, SB 732 would direct 6.25% of taxes collected toward administrative uses. If the goal of \$1.5 billion of annual revenue is achieved, this would constitute approximately \$100 million annually for administrative expenses. Typically, administrative costs are limited to one percent of the annual net amount of revenue raised by a similar tax. The constraint of administrative costs supports the idea that the funds would truly be spent to accomplish the stated goals of the tax measure not to expand a bureaucracy.

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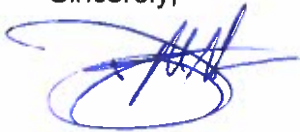
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SCAQMD's air quality concerns are largely driven by mobile pollutant sources moving freight through the Los Angeles basin to markets across the continental United States. The federal government maintains regulatory control over these sources, and thus it must implement policies and attach funding to clean up those sources. Collecting and spending local tax dollars will not alleviate a problem derived from interstate freight movement.

SBCTA supports efforts to address the ambient air quality using the existing resources to mitigate mobile sources. However, the implementation of a non-prescriptive program with a high administrative price tag is not the best way to solve our air quality concerns, and thus SBCTA opposes SB 732.

If you have any questions regarding SBCTA's position on this issue, please contact Ray Wolfe, Executive Director, or Otis Greer, Director of Legislative and Public Affairs at (909) 884-8276.

Sincerely,



Darcy McNaboe  
President, San Bernardino County Transportation Authority  
Mayor, City of Grand Terrace

cc: Senate Governance and Finance Committee  
San Bernardino County Delegation