



## Funding Update | March 18, 2011

# Senate, Assembly Floor Votes Preserve 'Gas Tax Swap' Transit Funding

### *Redevelopment Funds, Extension of Current Tax Rates Remain as Hurdles in Pursuit of Overall Budget Agreement*

Though a final budget solution is yet to be achieved, action taken in both houses of the Legislature this week has, for now, preserved \$330 million in State Transit Assistance (STA) funding for Fiscal Year 2011-12.

As part of Wednesday's floor votes, both the Senate and Assembly approved Assembly Bill 105, the transportation trailer bill which, among other things, reenacts the gas tax swap proposal to address potential conflicts with Proposition 26.

We are elated that the legislature approved the transportation trailer bill, yet the measure has not been sent to the Governor's desk for a signature and is not expected to be until the Governor's entire budget proposal is approved. The key sticking points remain the proposed elimination of redevelopment funds and the placement of a ballot initiative giving voters the opportunity to support or reject an extension of current tax rates on sales, vehicle registration and income that are scheduled to expire on June 30.

Without legislative approval of these two items (and subsequent voter approval of the tax rate extensions), additional cuts would be necessary in order to address the estimated \$26 billion overall budget deficit. The need for such additional cuts COULD place transit funding in jeopardy.

We will keep you apprised of further developments as they unfold.

If you have any questions, please contact Association Legislative Advocate Gus Khouri ([gus@caltransit.org](mailto:gus@caltransit.org)).