RESOLUTION NO. 98-105

RESOLUTION OF THE CITY OF EL PASO DE ROBLES
URGING THE GOVERNOR AND THE STATE LEGISLATURE TO SUPPORT THE PHASE-OUT OF VEHICLE LICENSE FEES PROVIDED IT IS LINKED TO A CONSTITUTIONALLY-GUARANTEED INCOME REPLACEMENT SOURCE

WHEREAS, the Governor and the State Legislature are considering a phase-out of vehicle license fees over a five-year period; and

WHEREAS, vehicle license fees are an essential source of funding for key city and county services like police and fire protection; and

WHEREAS, vehicle license fee revenues are a fair source of funding the vehicle-related costs that local agencies incur in servicing motorists, such as traffic enforcement, safe street design, and street maintenance; and

WHEREAS, although "assurances" have been made that cities and counties will be "made whole" in the event that VLF is phased-out, the fiscal future of cities and counties lies in greater fiscal independence from the State, not greater reliance upon it; and

WHEREAS, if the State believes that its improved fiscal condition warrants a tax cut, there are many other broad-based taxes that could be reduced - such as sales and income taxes - without placing local government at risk.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of El Paso de Robles, hereby requests the Governor and the State Legislature to support phasing-out VLF revenues provided it is linked to a constitutionally-guaranteed income replacement source as well as the return of property taxes to cities, counties, and special districts taken away by the State through ERAF.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 16th day of June, 1998 by the following vote:

AYES: Baron, Iversen, Macklin, Swanson, and Picanco
NOES:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Madelyn Paasch, City Clerk

DATE: 06/16/98 AGENDA ITEM # 4
( ) APPROVED ( ) DENIED
( ) CONTINUED TO

City of San Luis Obispo

OFFICE OF THE CITY COUNCIL
990 Palm Street ■ San Luis Obispo, CA 93401-3249 ■ 805/781-7119

May 28, 1998

Duane Picanco
City of El Paso De Robles
1000 Spring Street
El Paso De Robles, CA 93446

Dear Mayor Picanco: Duane

All of us charged with governing cities in California are concerned with the future financial health of local government units. As you know, local government finance has been in a fragile and transitional state since 1978, when Proposition 13 was approved. In the years 1992 through 1994, local property taxes were taken from the cities, counties and special districts of California. Even prior to the restoration of these lost property taxes, local government units are now subject to the proposal to eliminate or reduce the Vehicle License Fee, a major source of local government revenue, and a constant source of local government revenue since 1935.

While all of us are fortunate that economic times are good right now, we know the inevitability of economic cycles. Even if replacement revenues are established for lost Vehicle License Fees, there will come a time, such as 1992-94, when these replacement funds are in danger of being reduced or eliminated.

Knowing this danger first-hand, we, as local government officials, are frustrated because we see both the political appeal of reducing the Vehicle License Fee, and the operational necessity of sustaining the fiscal health of our cities and counties.

In order to respond in a cooperative and proactive manner, I urge each city to adopt and send on to our state legislators the attached resolution (blue) and be prepared to vote at our channel counties meeting to be held June 19, 1998 on a second resolution (yellow) urging League of California action on our behalf.

Sincerely,

Dave

Councilman David F. Romero
First Vice President
Channel Counties Division
League of California

DFR:ss
Attachments