

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

*** * * * ***

**RESOLUTION URGING THE CALIFORNIA LEGISLATURE TO REJECT THE
GOVERNOR'S PROPOSED SHIFT OF LOCAL REVENUES AND TO HONOR THE
1998 COMMITMENT TO RESTORE THE VEHICLE LICENSE FEE**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of
California, that

WHEREAS, the voters overwhelmingly supported a constitutional amendment in 1986
to dedicated the proceeds of the Vehicle License Fees (VLF) to fund county and city services;
and

WHEREAS, VLF revenues comprise a critical component of discretionary, general
revenues in San Mateo County of approximately 20%; and

WHEREAS, in 1998, the Legislature reduced VLF rates and made assurances to
preserve funds to counties and cities through a "backfill" of state General Fund revenues; and

WHEREAS, the 1998 legislation and subsequent enactments contain clear provisions
that when sufficient funds are not available to be transferred from the General Fund to fully fund
the VLF backfill that the VLF offset shall be reduced and VLF payments increased; and

WHEREAS, the Governor, as part of his 2003-2004 budget, has proposed elimination
of the VLF backfill to local governments but has failed to propose restoration of VLF rates to
ensure counties and cities continue to receive funds as constitutionally required;

WHEREAS, any failure by the Legislature to maintain the VLF backfill or to restore the VLF will result in widespread disruption of local government services essential to the health and prosperity of California, San Mateo County and its residents including the loss of \$48 million;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED through the adoption of this resolution that, if the state budget no longer includes the required Vehicle License Fee "backfill" to county and city general revenues, that Legislature and Governor are urged to implement the provisions of current law providing for the reduction of the VLF offset and restoration of VLF rates in an amount necessary to satisfy the reduced VLF backfill amount.

RESOLVED FURTHER, that the County of San Mateo hereby expresses its profound appreciation to legislators who support such VLF restoration legislation and related efforts in the state budget process.

* * * * *