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California Rejects Repeal of Gas Tax Increase.

Golden State voters rejected Proposition 6, an effort to repeal increases to California's fuel and vehicle taxes enacted last year by the Democrat-controlled state legislature.

Governor Jerry Brown signed the tax package, which boosted gas taxes by 12 cents a gallon, to raise \$5 billion annually for transportation improvements. Many in the state objected to the tax increase after years of shouldering among the nation's highest gas prices, leading to the attempt to repeal the tax.

GOP leaders saw the issue potentially stoking turnout among Republicans, although support for the gas tax rollback faltered. A mid-October poll by the Public Policy Institute of California showed the measure would likely fail by a small margin.

The measure would have also required voters to approve future gas tax increases, a shift Fitch Ratings and municipal-bond investors [warned](#) could limit the state's financial flexibility in a recession.

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By Jeffrey Taylor and Romy Varghese

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