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## News Clerks Should Know:

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### State Proposes Raid of Local Share of Gas Tax and Redevelopment Tax Increment

The Joint Legislative Budget Conference Committee continues to work on compiling a budget bill that both houses of the Legislature will consider for a vote. To pass the budget, it must receive approval from two-thirds of both the Assembly and Senate plus get the governor's signature.

The most recent update on the budget contains a little bit of good news and a lot of bad:

**Good News:** The Joint Legislative Budget Conference Committee rejected borrowing from local governments under Prop. 1A

**Bad News:** They added an additional \$350 million in redevelopment raids to the proposed budget for the current and next two fiscal years despite the fact a Sacramento County Superior Court found on April 30 that the previous RDA raid violated the state constitution's requirements that redevelopment tax increment be used only for redevelopment.

**More Bad News:** This is on top of the proposal to take two years of local Highway User Tax Account (HUTA) funds (also known as "Gas Tax"). This equates to \$986 million in FY 09-10 and \$750 Million in FY10-11.

### Your City's Gas Tax and Redevelopment Loss

To see the amount of gas tax your city would lose next year, visit:

<http://www.californiacityfinance.com/HUTAprjFY10.pdf>

For your redevelopment agency's estimated annual loss visit:

<http://www.calredevelop.org/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=4665>