Description

The Gas Tax Fund collects revenue resulting from a tax on the sale of gasoline, diesel and a use fuel tax on other types of fuels. The current total State excise tax on gasoline is 43.2 cents per gallon and 19.6 cents per gallon on diesel. The City's share of gas tax revenue is based on a formula that accounts for vehicle registration, assessed property valuation, and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way.

The Road Maintenance and Rehabilitation Fund collects revenue from an additional 14.7 cent per gallon tax on gasoline and 24.5 cent a gallon tax on diesel, in addition to a transportation improvement fee on new vehicles and $100 vehicle registration on zero emission vehicles. Receipt of these funds are dependent on the City meeting State mandated minimum road funding standards.

The Gas Tax funds the maintenance of street lights, traffic signals, traffic signs, and markings, including the City's share of the Gaslamp Quarter Lighting and the San Diego Street Lighting District Number One. The Gas Tax also funds street maintenance, median landscaping, tree-trimming, and waste removal in the street right-of-way. Gas tax revenues have been allocated to support four departments: Transportation, Parks & Recreation, Economic Development, and Department of Finance. The revenue is primarily allocated to the Transportation Department for reimbursement of street maintenance services and traffic engineering.

The Maintenance Assessment Districts (MADs) provide landscape maintenance for center medians and right-of-way within residential and commercial areas. The Parks & Recreation Department is reimbursed for costs predominantly related to residential and some commercial MADs. The Parks & Recreation Department is also reimbursed for administrative oversight of the MADs and the Street Median Maintenance Program. The Economic Development Department primarily manages the commercial MADs allocation, although it can include some mixed use MADs.

Additionally, the Department of Finance is reimbursed for costs related to administrative oversight of the Fund and project financial reporting.

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	0.00	0.00	0.00	0.00
Personnel Expenditures	$ -	$ -	$ -	$ -
Non-Personnel Expenditures	92,277,722	75,671,960	84,234,215	8,562,255
Total Department Expenditures	**$92,277,722**	**$75,671,960**	**$84,234,215**	**$8,562,255**
Total Department Revenue	**$78,735,966**	**$75,671,960**	**$80,834,227**	**$5,162,267**

Gas Tax Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Gas Tax Fund	$42,054,141	$39,324,068	$41,301,519	$1,977,451
Total	**$42,054,141**	**$39,324,068**	**$41,301,519**	**$1,977,451**

Budget Adjustments

	FTE	Expenditures	Revenue
Gas Tax Allocation	-	$1,891,979	$1,977,463
Addition of non-personnel expenditures and revenue to reflect revised State of California Gas Tax projections.			
Non-Discretionary Adjustment	-	85,472	-
Adjustment to expenditure allocations that are determined outside of the department’s direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Total	**0.00**	**$1,977,451**	**$1,977,463**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Supplies	9,003	15,000	23,000	8,000
Contracts & Services	11,261,985	11,914,909	12,604,648	689,739
External Contracts & Services	*3,687,048*	*4,808,187*	*5,461,603*	*653,416*
Internal Contracts & Services	*7,574,937*	*7,106,722*	*7,143,045*	*36,323*
Energy and Utilities	272,182	261,057	346,525	85,468
Transfers Out	30,510,970	27,133,102	28,327,346	1,194,244
NON-PERSONNEL SUBTOTAL	**42,054,141**	**39,324,068**	**41,301,519**	**1,977,451**
Total	**$42,054,141**	**$39,324,068**	**$41,301,519**	**$1,977,451**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Other Local Taxes	$38,716,420	$39,155,713	$41,243,176	$2,087,463
Revenue from Use of Money and Property	329,155	168,355	58,355	(110,000)
Total	**$39,045,575**	**$39,324,068**	**$41,301,531**	**$1,977,463**

Road Maintenance & Rehabilitation Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Road Maintenance and Rehabilitation Fund	$50,223,581	$36,347,892	$42,932,696	$6,584,804
Total	**$50,223,581**	**$36,347,892**	**$42,932,696**	**$6,584,804**

Budget Adjustments

	FTE	Expenditures	Revenue
Use of Fund Balance	-	$3,400,000	$ -
Addition of non-personnel expenditures associated with the use of available fund balance.			
Road Maintenance and Rehabilitation Adjustment	-	3,184,804	3,184,804
Adjustment to non-personnel expenditures and revenues due to revised State of California projections.			
Total	**0.00**	**$6,584,804**	**$3,184,804**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Supplies	4,540	-	-	-
Contracts & Services	50,219,041	36,347,892	42,932,696	6,584,804
External Contracts & Services	*45,590,521*	*36,347,892*	*39,082,696*	*2,734,804*
Internal Contracts & Services	*4,628,520*	-	*3,850,000*	*3,850,000*
NON-PERSONNEL SUBTOTAL	**50,223,581**	**36,347,892**	**42,932,696**	**6,584,804**
Total	**$50,223,581**	**$36,347,892**	**$42,932,696**	**$6,584,804**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Other Local Taxes	$37,805,744	$36,347,892	$39,532,696	$3,184,804
Revenue from Use of Money and Property	1,884,647	-	-	-
Total	**$39,690,391**	**$36,347,892**	**$39,532,696**	**$3,184,804**

Revenue and Expense Statement (Non-General Fund)

Gas Tax Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 88,686	$ 658,365	$ 1,024,034
Continuing Appropriation - CIP	8,741,628	1,385,243	1,090,996
Continuing Appropriation - Operating	597,357	1,019,113	-
TOTAL BALANCE AND RESERVES	**$ 9,427,671**	**$ 3,062,721**	**$ 2,115,029**
REVENUE			
Other Local Taxes	$ 38,716,420	$ 39,155,713	$ 41,243,176
Revenue from Use of Money and Property	329,155	168,355	58,355
TOTAL REVENUE	**$ 39,045,575**	**$ 39,324,068**	**$ 41,301,531**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 48,473,246**	**$ 42,386,789**	**$ 43,416,560**
OPERATING EXPENSE			
Supplies	$ 9,003	$ 15,000	$ 23,000
Contracts & Services	11,261,985	11,914,909	12,604,648
Energy and Utilities	272,182	261,057	346,525
Transfers Out	30,510,970	27,133,102	28,327,346
TOTAL OPERATING EXPENSE	**$ 42,054,141**	**$ 39,324,068**	**$ 41,301,519**
EXPENDITURE OF PRIOR YEAR FUNDS			
CIP Expenditures	$ 3,356,385	$ 1,000,000	$ 500,000
Operating Expenditures	-	$ 800,000	-
TOTAL EXPENDITURE OF PRIOR YEAR FUNDS	**$ 3,356,385**	**$ 1,800,000**	**$ 500,000**
TOTAL EXPENSE	**$ 45,410,526**	**$ 40,324,068**	**$ 41,801,519**
RESERVES			
Continuing Appropriation - CIP	$ 1,385,243	$ 385,243	$ 590,996
Continuing Appropriation - Operating	1,019,113	219,113	-
TOTAL RESERVES	**$ 2,404,356**	**$ 604,356**	**$ 590,995**
BALANCE	**$ 658,365**	**$ 658,365**	**$ 1,024,046**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 48,473,246**	**$ 41,586,789**	**$ 43,416,560**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.

Revenue and Expense Statement (Non-General Fund)

Road Maintenance and Rehabilitation Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 3,799,698	$ 2,984,495	$ 11,398,550
Continuing Appropriation - CIP	3,200,168	4,222,378	2,856,322
Continuing Appropriation - Operating	32,820,494	19,102,508	21,311,214
TOTAL BALANCE AND RESERVES	**$ 39,820,360**	**$ 26,309,381**	**$ 35,566,086**
REVENUE			
Other Local Taxes	$ 37,805,744	$ 36,347,892	$ 39,532,696
Revenue from Use of Money and Property	1,884,647	-	-
TOTAL REVENUE	**$ 39,690,391**	**$ 36,347,892**	**$ 39,532,696**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 79,510,751**	**$ 62,657,273**	**$ 75,098,782**
CAPITAL IMPROVEMENTS PROGRAM (CIP) EXPENSE			
CIP Expenditures	$ 1,628,726	$ -	$ 5,300,000
TOTAL CIP EXPENSE	**$ 1,628,726**	**$ -**	**$ 5,300,000**
OPERATING EXPENSE			
Supplies	$ 4,540	$ -	$ -
Contracts & Services	50,219,041	36,347,892	42,932,696
TOTAL OPERATING EXPENSE	**$ 50,223,581**	**$ 36,347,892**	**$ 42,932,696**
EXPENDITURE OF PRIOR YEAR FUNDS			
CIP Expenditures	$ 1,349,063	$ 2,700,000	$ 1,000,000
Operating Expenditures	13,717,986	$ 5,000,000	5,000,000
TOTAL EXPENDITURE OF PRIOR YEAR FUNDS	**$ 15,067,049**	**$ 7,700,000**	**$ 6,000,000**
TOTAL EXPENSE	**$ 53,201,370**	**$ 39,047,892**	**$ 49,232,696**
RESERVES			
Continuing Appropriation - CIP	$ 4,222,378	$ 1,522,378	$ 1,856,322
Continuing Appropriation - Operating	19,102,508	14,102,508	16,311,214
TOTAL RESERVES	**$ 23,324,887**	**$ 15,624,887**	**$ 18,167,536**
BALANCE	**$ 2,984,494**	**$ 2,984,494**	**$ 2,698,550**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 79,510,751**	**$ 57,657,273**	**$ 70,098,782**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.