OVER $1 BILLION AT STAKE
by 2030

$226M
Owed for FY 2025-26

$12B In VLF funding paid annually to counties and cities in full, with San Mateo County and its cities deprived their full amount due

THE ISSUE

In 2004, the State replaced traditional local Vehicle License Fee (VLF) revenue with an equivalent funding stream. The payment mechanism that used to deliver full funding has become obsolete here, leaving San Mateo County and its cities blocked from receiving the full amount due without State action.

The State distributes more than $12 billion annually in VLF replacement funds statewide. San Mateo County is one of the only counties not receiving what it is owed – leaving the County and its 20 cities without the funding they were promised. This funding loss is the result of an outdated State payment mechanism the State has refused to fix.

WHAT'S AT STAKE

This funding supports essential local services that residents, businesses, commuters, visitors, and families rely on every day. Without this funding and a permanent solution, our communities face real and immediate risks to vital public services:

Housing & Homelessness

- Nearly 3,000 people could lose shelter access
- 5,500+ households at risk of losing rental assistance, increasing risk of homelessness

Children & Families

- 7,400 children could lose access to early literacy programs

Health & Public Safety

- Cuts to mental health care,crisis response and wildfire prevention
- Fewer nurses, police officers, firefighters and emergency responders

Core Local Services

- Reductions to libraries, parks, youth and senior programs
- Delayed road repairs and infrastructure maintenance, leading to higher long-term costs

A QUESTION OF FAIRNESS

Every other Bay Area county receives its full funding – San Mateo County does not. Local residents contribute billions to state revenues annually. The State is not honoring the same commitment made to all 58 counties. San Mateo County and its cities are not asking for anything more than what they are owed.

LOCAL GOVERNMENTS ARE UNITED

The County and all 20 cities are aligned and taking action:

- Impacted counties and cities will be deprived of essential funding for critical services if this problem is not solved
- The County is working with state legislators to secure full funding and a permanent legislative fix.
- The County is making sure state legislators, the Governor, and the public are informed.

THE SOLUTION

1. **Full Repayment of Funds Due**
   Immediate State action to fully fund the promised payments in the current State budget.

2. **A Permanent Legislative Fix**
   Ensure San Mateo County is treated the same as all other counties – now and permanently.

WHAT THIS MEANS FOR YOUR LOCAL GOVERNMENT

Local Community	FY 2025-26 VLF Shortfall as of 07/2026
County of San Mateo	$134,202,438
City of Atherton	$1,425,345
City of Belmont	$3,487,035
City of Brisbane	$545,415
City of Burlingame	$4,563,305
City of Colma	$128,246
City of Daly City	$12,150,985
City of East Palo Alto	$4,655,366
City of Half Moon Bay	$1,345,934
Town of Hillsborough	$1,436,948
City of Menlo Park	$5,435,582
City of Millbrae	$3,182,462
City of Pacifica	$4,537,136
Town of Portola Valley	$598,087
City of Redwood City	$10,179,575
City of San Bruno	$5,614,780
City of San Carlos	$4,441,392
City of San Mateo	$12,885,332
City of South San Francisco	$9,894,203
City of Woodside	$778,555
City of Foster City	$4,340,312
Total Countywide VLF Shortfall	**$225,828,433**

STAY INFORMED

Visit SMCFairFunding.org for updates and County's letters to the Governor and State leaders requesting full VLF funding.