

Memorandum

Tab 13

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 21, 2014

Reference No.: 4.1
Action

From: ANDRE BOUTROS
Executive Director

Subject: **STATE AND FEDERAL LEGISLATION**

ISSUE:

- 1) Does the California Transportation Commission (Commission) have comments on the legislation identified and monitored by staff?
 - ✓ May 16th is the last day for policy committees to meet.
 - ✓ May 23rd is the last day for fiscal committees to meet and report bills to the floor.
 - ✓ May 30th is the last day for bills to pass their house of origin.
 - ✓ Seventy bills, identified in Attachment A, met the criteria approved by the Commission.
- 2) Should the Commission adopt a support position for Senate Joint Resolution (SJR) 24?

SJR 24, authored by Senator DeSaulnier and co-authored by Assembly Member Lowenthal, would urge the President and the Congress of the United States to stabilize the Federal Highway Trust Fund.
- 3) Should the Commission transmit a letter to the California Congressional Delegation regarding the pending insolvency of the Highway Trust Fund?

RECOMMENDATION:

Staff recommends that the Commission:

- 1) Accept the staff report and provide direction to staff on legislation of interest to it;
- 2) Staff recommends the Commission direct staff to transmit the attached letter to Senator DeSaulnier and Assembly Member Lowenthal in support of SJR 24 as presented in Attachment B.
- 3) Staff recommends the Commission direct staff to transmit the attached letter to the California Congressional Delegation regarding the pending insolvency of the Highway Trust Fund.

SUMMARY:

SJR 24 (DeSaulnier and Lowenthal)

This proposed resolution urges timely action by the President and the Congress of the United States to stabilize the Federal Highway Trust Fund by developing a long-term plan to promote adequate federal Highway Trust Fund revenues that achieve the following objectives:

- (a) Continues an appropriate role for the federal government in sustaining a viable national transportation system;
- (b) Contributes to deficit reductions and economic growth;
- (c) Ensures the integrity of the surface transportation program and resists funding diversions that have been harmful to public support; and
- (d) Allows the Congress to pass a reauthorization of the federal highway and public transportation programs before MAP-21 expires.

This measure authorizes the Legislature to submit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Majority Leader of the Senate, and each Senator and Representative of California in the Congress of the United States.

In light of the extensive statewide transportation system preservation and maintenance needs in California and given the lack of predictable funding from year to year as well as declining revenue projections at the state, federal, and local level, it is imperative that a long term plan to promote adequate federal Highway Trust Fund revenues is developed and implemented. Therefore, staff recommends support of SJR 24. The text of SJR 24 and a draft letter of support for the Commission Chair's signature are provided in Attachment B.

California Congressional Delegation Letter

The Highway Trust Fund is fast approaching a fiscal crisis; with pending delays in payments predicted in the coming months and taxes supporting the Highway Trust Fund due to expire on September 30, 2016. Congress and the President need to act quickly to secure the resources necessary to ensure the integrity of the Nation's transportation system, and to develop a permanent solution for a sustainable funding source. The current method of funding the Highway Trust Fund, through excise taxes, is no longer keeping pace with the cost of maintaining, operating and expanding the Nation's vast transportation network. Moving away from the excise tax method of funding, to a more equitable approach of a road user charge captures the true cost of the transportation system.

In keeping with the spirit of SJR 24, staff recommends transmitting a letter to the California Congressional Delegation urging immediate action to remedy the funding shortfall in the Highway Trust Fund and supporting a move towards a road user charge to provide for a long term sustainable funding solution.

BACKGROUND:

The Commission approved criteria to guide Commission staff in monitoring legislation and selecting bills that should be brought forward for Commission consideration. An over-arching criterion is that a bill must directly affect transportation on a statewide basis. Bills meeting one or more of the criteria, provided below, will be brought forward to the Commission for consideration.

- Funding/Financing - funding or a funding mechanism for transportation (capital and operations)
- Environmental Mitigation - implementation of greenhouse gas emissions reduction and transportation (e.g., AB 32), and/or involve the environmental process and transportation (e.g., CEQA)
- Planning - implementation of transportation and land use and planning (e.g., SB 375)
- Project Delivery - changes to the way transportation projects are delivered

Additional criteria for bringing a bill forward include:

- Direct Impact to Commission - changes in Commission responsibility, policy impact or operations
- Commissioner Request - recommended by a Commissioner for consideration by the Commission at its next regularly scheduled meeting

The Commission adopted policy to 1) consider legislation in relation to its overall policy by topic area prior to taking a position on legislation addressing that topic; and 2) remain selective in its use of watch, support or opposition on a bill. The rationale for a policy by topic area is it permits the Commission to address a suite of legislative proposals dealing with the same topic by commenting to the author(s) without necessarily taking a position. Rather than taking specific positions on bills in their initial state, the Commission can advise the Legislature on a bill's policy and/or technical aspects, as well as how it helps or hinders transportation. The intent of the Commission's comments is to alert the Author of the bill's impact on a policy and/or technical aspect related to transportation planning, programming, financing, mitigation, or project delivery. Further direction will be provided to staff, by the Chair, on bills that meet the aforementioned criteria.

Attachment A - Status of State and Federal Legislation

Attachment B – SJR 24 Draft Support Letter & Bill Text

Attachment C – Draft California Congressional Delegation Letter

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Transportation Funding					
Bill #	Author	Title	Subject	Description	Status
<u>AB 243</u>	Dickinson	Local Government: Infrastructure Financing Districts	Funding/Financing	This bill would authorize the creation of an infrastructure and revitalization financing district and the issuance of debt with 55% voter approval. The bill would authorize a district to finance projects in redevelopment project areas, former redevelopment project areas and former military bases if special conditions are met. The bill would authorize a district to fund various projects including: highways, interchanges, ramps and bridges, arterial streets, parking facilities and transit facilities.	Last Action Passed Senate, sent Assembly for concurrence, to inactive file September 11, 2013 Current Location Assembly Inactive File
<u>AB 680</u>	Salas	Transportation: Interregional Road System	Funding/Financing	Amends the Streets and Highways Code to include State Highway Route 43 as an eligible interregional and intercounty route.	Last Action In Senate Appropriations, held in committee August 30, 2013 Current Location Senate Appropriations Committee
<u>AB 1194</u>	Ammiano and V.M Perez	Safe Routes to School Program	Funding/Financing	This bill would provide that the program may fund both construction and noninfrastructure activities, as specified. The bill would require the program to be funded by an annual appropriation in the budget act of not less than \$46,000,000, consisting of federal and state transportation funds eligible to be expended for this purpose. The bill would require 20% of program funds to be used for noninfrastructure activities, as specified. The bill would authorize the transfer of the responsibility for selecting projects and awarding grants from the Department of Transportation to the California Transportation Commission, at the discretion of the Transportation Agency. The bill would require the Department of Transportation to employ a full time coordinator to administer the program. The bill would also delete references to a superseded federal transportation act.	Last Action In Senate Transportation and Housing Committee, not heard July 2, 2013 Current Location Senate Transportation and Housing Committee
<u>AB 1447</u>	Waldron	Global Warming Solutions Act of 2006: GHG Reduction Fund, Traffic Light Synchronization	Funding/Financing	Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Existing law permits moneys from the fund be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments. This bill would <i>authorize sustainable infrastructure projects to include traffic signal synchronization when the project is designed and implemented to achieve cost-effective reductions in GHG emissions and includes specific reduction targets and metrics to evaluate the project's effect.</i> additionally authorize moneys in the fund to be used to fund traffic signal synchronization to the extent those expenditures are consistent with the above-referenced purposes.	Last Action In Assembly, read second time, to consent calendar May 8, 2014 Current Location Assembly Consent Calendar
<u>AB 1457</u>	Skinner	Budget Act of 2014	Funding/Financing	Makes appropriations for the support of state government for the 2014-15 fiscal year.	Last Action Introduced January 9, 2014 Current Location Assembly

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Bill #	Author	Title	Subject	Description	Status
<u>AB 2170</u>	Mullin	Joint Powers Authorities: Common Powers	Funding/Financing	This bill would provide that the parties to the Joint Powers Authority agreement may exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee or tax, as specified.	Last Action Referred to Committee March 6, 2014 Current Location Assembly Local Government Committee
<u>AB 2119</u>	Stone	Local Transaction and Use Taxes	Funding/Financing	This bill would authorize the board of supervisors of a county to levy, increase, or extend a transaction and use tax throughout the entire county or within the unincorporated area of the county, if approved by the qualified voters of the entire county or the unincorporated area of the county.	Last Action Passed from Assembly Revenue & Taxation Committee May 5, 2014 Current Location Assembly
<u>AB 2280</u>	Alejo	Community Revitalization and Investment Authorities	Funding/Financing	This bill would authorize certain cities to form a Community Revitalization Authority within a community revitalization and investment area, to carry out community redevelopment law. This bill provides for the financing of these activities by the issuance of bonds serviced by tax increment revenues.	Last Action In Assembly, read third time, passed Assembly May 8, 2014 Current Location Senate
<u>AB 2389</u>	Campos	Safe Routes to School Program	Funding/Financing	Extends the date that the specific provisions governing the safe routes to school program become inoperative and the date that these provisions are repealed.	Last Action Referred to Committee March 10, 2014 Current Location Assembly Transportation Committee
<u>AB 2541</u>	Hall	Alameda Corridor Transportation Authority	Funding/Financing	This bill would require the Alameda Corridor Transportation Authority to adopt and publish a tariff under which a use fee for movement of cargo on the Corridor rail system is imposed on users. Requires the Authority to contract with independent 3rd party collection agency to collect the use fee. Requires a user to waive any damages or other claims as a result of enforcement of the tariff. Requires railroad operators operating on the corridor to provide the Authority with certain information about a user's cargo	Last Action In Assembly, read second time and amended, re-referred to Transportation Committee March 28, 2014 Current Location Assembly Transportation Committee

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Bill #	Author	Title	Subject	Description	Status
<u>AB 2650</u>	Conway	Bonds: Transportation	Funding/Financing	This bill would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase I blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds. The bill, subject to the above exception, would also require the net proceeds of other bonds subsequently issued and sold under the high-speed rail portion of the bond act to be made available, upon appropriation, to fund projects in the State Transportation Improvement Program, the State Highway Operation and Protection Program, and the state's freight plan. The bill would make no changes to the authorization under the bond act for issuance of \$950 million for rail purposes other than high-speed rail. These provisions would become effective only upon approval by the voters at the next statewide general election.	<i>Last Action</i> Failed passage in Assembly Transportation Committee April 28, 2014 <i>Current Location</i> Assembly Transportation Committee
<u>AB 2651</u>	Linder	Vehicle Weight Fees: Transportation Bond Debt	Funding/Financing	This bill would prohibit weight fee revenue from being transferred from the State Highway Account to the Transportation Debt Service Fund or to the Transportation Bond Direct Payment Account, and from being used to pay the debt service on transportation general obligation bonds.	<i>Last Action</i> In Assembly, withdrawn from Transportation Committee, to Second Reading May 12, 2014 <i>Current Location</i> Assembly Second Reading File
<u>AB 2652</u>	Linder	Transportation Funds	Funding/Financing	This bill would appropriate any excess general fund revenues calculated by Department of Finance to first meet minimum state funding obligations for schools with any remaining excess revenues to be split 50/50 between the Budget Stabilization Account and Transportation Loan Repayment. This bill specifies that amounts repaid to the State Highway Account, Transportation Congestion Relief Fund, and Highway Users Tax Account are to be appropriated for local street and road purposes pursuant to the existing formula used by the State Controller in Streets and Highways Code Section 2103. This bill in its current form presents an uncodified statute.	<i>Last Action</i> In Assembly, read second time and amended, re-referred to Budget Committee March 28, 2014 <i>Current Location</i> Assembly Budget Committee
<u>AB 2653</u>	Linder	Transportation Finance	Funding/Financing	This bill would eliminate price based gas excise tax revenue funding for the STIP and SHOPP, instead the Controller would disseminate this funding directly to Cities and Counties. This bill deletes the provision requiring that non-Article XIX revenues fund transportation debt service, and instead proposes that these revenues are distributed in the following manner: 44% STIP, 12% SHOPP and 44% Local Streets & Roads. This bill as proposed would drastically reduce the amount of funding available for the STIP and SHOPP.	<i>Last Action</i> In Assembly, read second time and amended, re-referred to Budget Committee March 28, 2014 <i>Current Location</i> Assembly Budget Committee

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Bill #	Author	Title	Subject	Description	Status
<u>AB 2728</u>	Perea and Linder Coauthor: Lowenthal	Vehicle Weight Fees: Transportation Bond Debt Service	Funding/Financing	This bill would restore the use of vehicle weight fees for highway improvements. This bill would prohibit weight fee revenue from being transferred from the State Highway Account to the Transportation Debt Service Fund, the Transportation Bond Direct Payment Account, or any other fund or account. This bill does not provide an effective date and lists January 1, 2019 as a sunset date.	Last Action Placed on Suspense in Appropriations May 7, 2014 Current Location Assembly Appropriations Committee Suspense File
<u>ACA 8</u>	Blumenfield	Local Government Financing: Voter Approval	Funding/Financing	This measure would lower to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness in the form of general obligation bonds to fund specified public improvements and facilities including transportation infrastructures, streets and roads, sidewalks, transit systems, highways, freeways etc.	Last Action In Senate, re-referred to Appropriations Committee June 27, 2013 Current Location Senate Appropriations Committee
<u>SB 1</u>	Steinberg	Sustainable Communities Investment Authority	Funding/Financing	This bill would authorize certain public entities of a Sustainable Communities Investment Area, as described, to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would require the authority to contract for an independent financial and performance audit every 5 years.	Last Action In Senate, to Inactive File September 12, 2013 Current Location Senate Inactive File
<u>SB 33</u>	Wolk and Frazier	Infrastructure Financing Districts: Voter Approval	Funding/Financing	This bill would revise provisions governing infrastructure financing districts. This bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. This bill would authorize the creation of such district subject to specified procedure and would authorize a district to finance specified actions and projects including: : highways, interchanges, ramps and bridges, arterial streets, parking facilities and transit facilities.	Last Action In Assembly, to inactive file September 11, 2013 Current Location Assembly Inactive File
<u>SB 616</u>	Wright	State Aid to Airports Program	Funding/Financing	This bill would, until July 1, 2015, authorize payments from the Aeronautics Account in the State Transportation Fund for the State Aid to Airports Program for projects that the sponsor has started or completed in accordance with a federal Airport Improvement Program grant, unless the project was started or completed prior to January 1, 2014.	Last Action In Senate, read second time and amended, to third reading January 27, 2014 Current Location Senate Third Reading File

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Bill #	Author	Title	Subject	Description	Status
<u>SB 851</u>	Leno	Budget Act of 2014	Funding/Financing	Makes appropriations for the support of state government for the 2014-15 fiscal year.	Last Action Introduced January 9, 2014 Current Location Senate Budget and Fiscal Review Committee
<u>SB 925</u>	Wright	Alameda Corridor Transportation Authority	Funding/Financing	This bill would require the Alameda Corridor Transportation Authority to adopt and publish a tariff under which a use fee for movement of cargo on the Corridor rail system is imposed on users. Requires the Authority to contract with independent 3rd party collection agency to collect the use fee. Requires a user to waive any damages or other claims as a result of enforcement of the tariff. Requires railroad operators operating on the corridor to provide the Authority with certain information about a user's cargo	Last Action Referred to Committee March 13, 2014 Current Location Senate Rules Committee
<u>SB 990</u>	Vidak	Transportation Funds: Disadvantaged Small Communities	Funding/Financing	This bill would require each regional transportation improvement program to program no less than 5% of funds available for regional improvement projects to be programmed in the RTIP for disadvantaged small communities, as defined. In programming these moneys, the bill would require regional transportation agencies and county transportation commissions to prioritize funding congestion relief and safety needs. This bill would require 5% of the money remaining in the local transportation fund after making certain off-the-top allocations to be allocated by the transportation planning agency to disadvantaged small communities, as defined. The bill would exclude from this off the top allocation any money in the fund that represents the apportionment of an area that qualifies as a disadvantaged small community. In allocating moneys to disadvantaged small communities, the bill would require the transportation planning agency to prioritize congestion relief and safety needs.	Last Action In Senate Transportation Committee, failed passage, reconsideration granted April 29, 2014 Current Location Senate Transportation and Housing Committee
<u>SB 1077</u>	DeSaulnier	Vehicles: Mileage Based Fee (MBF) Pilot Program Vehicle Miles Traveled Charges	Funding/Financing	This bill would require the Department of Motor Vehicles Transportation Agency to develop and implement, by July 1, 2015 January 1, 2016, a pilot program designed to assess specified issues related to implementing a vehicle miles traveled fee in California explore various methods for using a MBF to replace the state's existing fuel excise tax. The bill would also require the Agency department to prepare and submit a specified report of its findings and recommendations to the policy and fiscal committees of the Legislature no later than June 30, 2017.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File
<u>SB 1122</u>	Pavley	Sustainable Communities: Strategic Growth Council	Funding/Financing	This bill addresses implementation of Cap and Trade funding for Sustainable Communities. It would require that the legislature appropriate an unspecified amount of funding from the Greenhouse Gas Reduction Fund to the Strategic Growth Council to develop guidelines, manage and award financial assistance on a per-capita basis to MPOs, COGs, and RTPAs for those agencies to competitively select projects in their regions which implement SCSs, APSs or an RTP that includes programs/policies to reduce GHGs according to eligible uses specified.	Last Action Passed from Senate Transportation Committee to Appropriations Committee April 29, 2014 Current Location Senate Appropriations Committee

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Bill #	Author	Title	Subject	Description	Status
<u>SB 1151</u>	Cannella	Vehicles: School Zone Fines	Funding/Financing	This bill would amend the Vehicle Code to require that an additional fine of \$35 be imposed for specified violations be doubled or increased if the violation occurred when passing a school building or school grounds, as specified, and the highway is posted with a standard "SCHOOL" warning sign and an accompanying sign notifying motorists that increased penalties apply for traffic violations that are committed within that school zone. The bill would require that these additional fines be deposited in the State Transportation Fund for purposes of <i>funding school zone safety projects within</i> the Active Transportation Program.	Last Action In Senate, read third time, passed to Assembly May 12, 2014 Current Location Assembly
<u>SB 1156</u>	Steinberg	California Carbon Tax of 2014	Funding/Financing	This bill would, effective January 1, 2015, impose a carbon tax of an unspecified amount per ton of CO2-equivalent emissions on suppliers of fossil fuels. The bill would require BOE to administer and implement the carbon tax and would require revenues from the tax to be deposited in a special fund in the State Treasury. The bill states intent that revenues from the carbon tax are intended to be revenue neutral and to be rebated to low and medium income tax payers.	Last Action Referred to Committee March 6, 2014 Current Location Senate Rules and Governance & Finance Committee
<u>SB 1183</u>	DeSaulnier	<i>Vehicle Registration Fee: Surcharge for Bicycle Infrastructure Bicycle Tax</i>	Funding/Financing	This bill would authorize a city, county, or regional park district to impose, as a special tax, a point-of-sale on new bicycles, with the rate of the tax to be determined by the local agency. This bill would exclude from the tax bicycles with wheels of 20 inches or less in diameter. The bill would require the local agency to use bicycle tax revenues for improvements to paved and natural surface trails, including existing and new trails, and for associated maintenance purposes. motor vehicle registration surcharge of not more than \$5 for bicycle infrastructure purposes. The bill would provide for the DMV to administer the surcharge and to transmit the net revenues from the surcharge to the local agency to be used exclusively for improvements to paved and natural surface trails and associated maintenance.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File
<u>SB 1228</u>	Hueso	Trade Corridors Improvement Fund	Funding/Financing	This bill would continue the TCIF program to receive revenues other than Prop 1B, such as Cap and Trade funding from the Greenhouse Gas Reduction Fund. These additional moneys would be available upon appropriation by the legislature for the Commission to allocate to infrastructure improvement projects, as determined by the Commission, along corridors that have a high volume of freight movement. This bill includes the same eligible uses as the original TCIF program legislation with the exception of airport improvements.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File
<u>SB 1418</u>	DeSaulnier	Vehicle Weight Fees: Transportation Bond Debt Service	Funding/Financing	This bill would, similar to AB 2651 (Linder) and AB 2728 (Perea), return weight fee revenues to the State Highway Account. This bill would also delete the State Highway Account backfill with price based gas excise tax revenues that has historically occurred to cover the debt service. This bill also proposes to amend Streets and Highways Code to specify that price based gas excise revenues shall be distributed in the following manner: 56% to the State Highway Account (21.453% minimum to SHOPP and with the rest to projects that are consistent with Article XIX, STIP reference removed essentially removing the only dedicated source of funding for the STIP), and 44% to be allocated by the Controller for local streets and roads. The provisions of this bill are to become operative July 1, 2014 and it also contains an urgency clause.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File

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Bill #	Author	Title	Subject	Description	Status
<u>SCA 4</u>	Liu <i>Senate Co-Author: Pavley</i> <i>Assembly Co-Author: Bonilla</i>	Local Government Transportation Projects: Special Taxes: Voter Approval	Funding/Financing	This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition, if the <i>proposition proposing the tax includes certain requirements including: (a) The ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes (b) The ballot proposition includes a requirement for annual independent audit of the amount of tax proceeds collected and expended and the specified purposes and programs funded and (c) The ballot proposition requires the governing board to create a citizens oversight committee to review all expenditures of proceeds and financial audits and report its finding to the governing board and public.</i>	<i>Last Action</i> In Senate, read second time and amended, re-referred to Senate Rules Committee August 28, 2013 <i>Current Location</i> Senate Second Reading File <i>Commission Adopted Position</i> Support position adopted 1-8-13 Support letter issued 1-14-13
<u>SCA 6</u>	DeSaulnier	Initiative Measures: Funding Source	Funding/Financing	This measure would prohibit an initiative measure that would result in a net increase in state or local government costs, other than costs attributable to the issuance, sale or repayment of bonds, from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.	<i>Last Action</i> In Senate, read second time, to third reading May 24, 2013 <i>Current Location</i> Senate Third Reading File
<u>SCA 8</u>	Corbett <i>Assembly Co-Author: Wiecekowski</i>	Transportation Projects: Special Taxes: Voter Approval	Funding/Financing	This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55% of its voters voting on the proposition, if the <i>proposition proposing the tax includes certain requirements including: (a) The ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes (b) The ballot proposition includes a requirement for annual independent audit of the amount of tax proceeds collected and expended and the specified purposes and programs funded and (c) The ballot proposition requires the governing board to create a citizens oversight committee to review all expenditures of proceeds and financial audits and report its finding to the governing board and public.</i>	<i>Last Action</i> From Senate Transportation and Housing Committee, adopted and re-referred to Senate Rules Committee August 27, 2013 <i>Current Location</i> Senate Rules Committee <i>Commission Adopted Position</i> Support position adopted 1-8-13 Support letter issued 1-14-13
<u>SJR 24</u>	DeSaulnier	Federal Highway Trust Fund	Funding/Financing	Urges the President and the Congress of the United States to stabilize the Federal Highway Trust Fund by developing a long-term plan to promote adequate federal Highway Trust fund revenues	<i>Last Action</i> In Senate, read third time, passed to Assembly May 1, 2014 <i>Current Location</i> Assembly

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Bill #	Author	Title	Subject	Description	Status
<u>Budget Trailer Bill 402</u>	Governor's Proposed Budget	Transfer of Aeronautics Funding from Loan Program to Grant Program	Funding/Financing	This budget trailer bill would allow a one-time transfer of \$4 million from the Local Airport Loan Account (LALA) to the Aeronautics Account. This bill would also amend Public Utilities Code to allow for future transfers from the LALA to the Aeronautics Account upon approval of the Commission and the Department of Finance.	<i>Current Location</i> Senate Budget Subcommittee #2
<u>Budget Trailer Bill 801</u>	Governor's Proposed Budget	Cap and Trade	Funding/Financing	This budget trailer bill would require that \$400M of the \$500M loaned to the General Fund from the GHG Reduction Fund, upon repayment, be available to the High-Speed Rail Authority, beginning in FY 15-16, and would be continuously appropriated. It continuously appropriates 33% of the annual proceeds of the Greenhouse Gas Reduction Fund to the High-Speed Rail Authority (not including General Fund Loan Repayment), and creates the Rail Modernization Program to fund capital improvements and operational investments to modernized intercity, commuter and urban rail systems, with the program to be administered by CalSTA. The Commission would be awarding grants to applicants pursuant to the list prepared by CalSTA. Strategic Growth Council (SGC) is required to develop and administer the Sustainable Communities Implementation Program to reduce GHG emission through projects that implement land use, housing, transportation and ag land preservation practices. Pursuant to the trailer bill, the SGC in coordination with the Commission, CalSTA, Caltrans, CalEPA, Business, Consumer Services & Housing Agency, Housing & Community Development, Natural Resources, Conservation, OPR, and other state agencies, as needed, shall develop guidelines and selection criteria for the implementation of the program.	<i>Current Location</i> Senate Budget Subcommittee #2
<u>S 1957</u>	Bennet	Partnership to Build America Act of 2014	Funding/Financing	Establishes the American Infrastructure Fund, to provide bond guarantees and make loans to States, local governments, and non-profit infrastructure providers for investments in certain infrastructure projects, and to provide equity investments in such projects.	<i>Last Action</i> Referred to Committee January 16, 2014 <i>Current Location</i> Senate Finance Committee
<u>HR 3636</u>	Blumenauer	Excise Tax on Gasoline Diesel and Kerosene	Funding/Financing	This bill would create the Update, Promote, and Develop America's Transportation Essentials Act of 2013; amends the Internal Revenue Code of 1986 to increase the excise tax on gasoline, diesel, and kerosene fuels	<i>Last Action</i> Referred to House Committee on Ways and Means December 3, 2013 <i>Current Location</i> House Ways and Means Committee
<u>HR 3638</u>	Blumenauer	Road Usage Fee Pilot Program	Funding/Financing	This bill would create the Road Usage Fee Pilot Program Act of 2013; establish a Road Usage Fee Pilot Program to provide grants to conduct studies of methods for recording and reporting the number of miles traveled by particular vehicles, to conduct studies of payment, enforcement, and privacy protection methods for such systems, and to implement mileage-based fee systems in jurisdictions that have adopted a plan for such systems.	<i>Last Action</i> Referred to Committee December 6, 2013 <i>Current Location</i> House Committees on Transportation & Infrastructure and Energy & Commerce

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Bill #	Author	Title	Subject	Description	Status
Managed Lanes					
Bill #	Author	Title	Subject	Description	Status
<u>AB 1721</u>	Linder	High Occupancy Vehicle Lanes	Managed Lanes	Existing law requires that a low emissions vehicle, eligible to use HOV lanes, be exempt from toll charges imposed on single-occupant vehicles in designated high-occupancy toll (HOT) lanes. <i>This bill would instead, allow a low emissions vehicle, eligible to use HOV lanes, passage in HOT lanes at a toll-free or reduced rate.</i>	Last Action Read third time, passed Assembly May 1, 2014 Current Location Senate
<u>AB 1811</u>	Buchanan	High Occupancy Vehicle Lanes	Managed Lanes	This bill would amend Streets and Highways Code Section 149.5 to specify that High-Occupancy Vehicles shall have "Access" at all times rather than "Unrestricted Access" <i>Unrestricted Access</i> at all times on the portions of I-680 in Alameda and Santa Clara counties that are part of the value-pricing HOV programs in these areas, <i>except that the program may require a HOV to have an electric transponder or other electronic device for law enforcement purposes.</i>	Last Action Read third time, passed Assembly May 1, 2014 Current Location Senate
<u>AB 2036</u>	Mansoor	Toll Facilities: Revenues	Managed Lanes	This bill would authorize a toll facility to be initially implemented on a public highway <i>within the boundaries of Orange County</i> only if the toll facility is approved by a 2/3 vote of the electorate in the <i>county area served by the toll facility</i> . This bill does not prohibit charging for parking <i>in the county</i> . "Area" is defined as the region within 5 miles of the toll facility. "Public Highway" is defined as a state or local agency highway, road, or street and includes a bridge. "Toll Facility" means a toll road, toll bridge, toll lane, or any other facility on a public highway for which a toll is to be charged and includes the entire length of the public highway that is subjected to the toll. "Toll Facility" includes a high-occupancy toll lane. <i>Makes legislative findings that a special law is necessary due to the unique circumstances of Orange County.</i>	Last Action Failed Passage in Assembly Transportation Committee, Reconsideration Granted April 21, 2014 Current Location Assembly Transportation Committee
<u>AB 2090</u>	Fong	High Occupancy Toll Lanes: Santa Clara County	Managed Lanes	This bill would delete the reference in the law to Level of Service C or D and would instead require VTA, with the <i>consent assistance</i> of the Department, to establish appropriate performance measures such as speed or travel times for the purpose of ensuring optimal use of the HOT lanes by high-occupancy vehicles without adversely affecting other traffic on the State Highway System. The bill would also provide for that high occupancy vehicles to have access to the lanes "at all times" rather than "unrestricted access" <i>as depicted under the current law may be required to have an electronic transponder or other electronic device for enforcement purposes.</i>	Last Action Read third time, passed Assembly May 1, 2014 Current Location Senate
<u>AB 2250</u>	Daly	Toll Facilities: Revenues	Managed Lanes	This bill would add the following language to Government Code Section 14106 "the department, when entering into a cooperative agreement with a local agency for a managed lane, as defined, on the state highway system, shall ensure that any toll revenues generated from the managed lane that is administered by the local agency remains available for expenditure within the respective corridor in which the managed lane is located"	Last Action In Assembly, read second time, to consent calendar May 8, 2014 Current Location Assembly Consent Calendar

California Transportation Commission
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 as of May 14, 2014

Bill #	Author	Title	Subject	Description	Status
<u>SB 1298</u>	Hernandez	High Occupancy Toll Lanes	Managed Lanes	This bill would remove the limitations on the number of HOT lanes that the commission may approve and would delete the January 1, 2012, deadline for HOT lane applications. <i>The bill would provide that each application is subject to the review and approval of the Commission and that for each eligible application the Commission is required to hold one public hearing in northern California and one public hearing in southern California. The bill would also require that resources necessary for the Commission to carry out these responsibilities be included in the Governor's budget. The bill would also delete the requirement for public hearings on each application.</i> The bill would specify additional requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. The bill would require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles. The bill would delete the requirement that LACMTA may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize LACMTA to define the hours of operation of the HOT lanes. <i>The bill would include the maintenance of SHS facilities connected with the demonstration program as costs for which state agencies may be reimbursed with toll revenues. The bill would also require LACMTA and the Department to report to the Legislature by January 31, 2015 on the demonstration program.</i>	<p>Last Action In Senate, read second time and amended, re-referred to Appropriations Committee May 7, 2014</p> <p>Current Location Senate Appropriations Committee</p>
Accountability					
Bill #	Author	Title	Subject	Description	Status
<u>SB 486</u>	DeSaulnier	Office of Strategic Assessment and Accountability	Accountability	This bill would require the Secretary of the Transportation Agency, in consultation with the Director of Transportation, to identify performance measurement benchmarks on which the department would be required to report in specified areas, including, among others, enhancement of public safety and environmental sustainability. Requires the Department to issue reports and the Transportation Secretary to report to the Commission at least quarterly beginning July 1, 2014 on the Department's performance.	<p>Last Action In Assembly, to inactive file September 10, 2013</p> <p>Current Location Assembly Inactive File</p>
<u>SB 918</u>	Gaines	Department of Transportation	Accountability	This bill would: require Caltrans to develop an asset management plan <i>by February 1, 2015 and to update the plan at least once every 5 years</i> ; impose additional requirements on Caltrans for records retention, survey completion and design software; require Caltrans to include detailed information about outstanding contractor claims in its budget; and to reserve sufficient moneys in each budget to pay outstanding claims	<p>Last Action In Senate, read second time and amended, re-referred to Appropriations Committee May 7, 2014</p> <p>Current Location Senate Appropriations Committee</p>

California Transportation Commission
Status of Legislation
as of May 14, 2014

Bill #	Author	Title	Subject	Description	Status
<u>SB 969</u>	DeSaulnier	Public Works Project Oversight Overview Improvement Act	Accountability	This bill would amend the Public Works Peer Review Act of 2013. This bill would authorize these provisions, instead, to be known and cited as the Public Works Project Oversight Overview Improvement Act. The bill would define a "megaproject" as a transportation project with total estimated development and construction costs exceeding \$1,000,000,000. The bill would require the agency administering a megaproject to establish a peer review group and to take specified actions to manage the risks associated with a megaproject including establishing a comprehensive risk management plan, and regularly reassessing its reserves for potential claims and unknown risks.	<i>Last Action</i> In Senate, read second time and amended, re-referred to Appropriations Committee May 5, 2014 <i>Current Location</i> Senate Appropriations Committee
<u>Budget Trailer Bill 400</u>	Governor's Proposed Budget	Right of Way Accountability	Accountability	This budget trailer bill would amend Streets and Highways Code to prohibit project right of way costs in the STIP program to be changed to reflect differences within 20% of the amount specified at the time of allocation, for right of way cost increases or savings at the time of project completion. In effect this bill would allow STIP program shares to be recalculated to reflect right of way cost increases or savings that exceed 20% of the estimate reported at the time of construction allocation.	<i>Current Location</i> Senate Budget Subcommittee #2
Project Delivery					
Bill #	Author	Title	Subject	Description	Status
<u>AB 1046</u>	Gordon	Department of Transportation: Innovative Delivery	Project Delivery	This bill would authorize the department's District 4 director to direct existing District 4 resources to the Innovative Delivery Team Demonstration Program and to authorize department staff to perform reimbursed work for projects on and off the state highway system within the boundaries of the County of Santa Clara pursuant to the master agreement, as defined, and accompanying work programs, as defined.	<i>Last Action</i> In Senate Appropriations Committee, not heard August 19, 2013 <i>Current Location</i> Senate Appropriations
<u>AB 1724</u>	Frazier	Construction Manager/General Contractor: Transit Agency	Project Delivery	This bill would authorize regional transportation agencies to use the Construction Manager/General Contractor project delivery method to design and construct certain projects. The regional agency would be required to prepare a report and notify the legislature when the report is available.	<i>Last Action</i> In Assembly, read second time, to Third Reading May 8, 2014 <i>Current Location</i> Assembly Third Reading File
<u>AB 2471</u>	Frazier	Public Contracts: Change Orders	Project Delivery	This bill would require a public entity, when authorized to order changes or additions in the work in a public works contract, to issue a change order no later than 60 30 days after the <i>extra work is performed</i> changes or additions are required . If this requirement is not met, the public entity will be held liable for <i>the work that has already been performed</i> payment of the contractor's invoice for the change order or additional work . The bill would also require pre-judgment interest to accrue on any amount for which the public entity fails to issue a change order promptly or make a payment due.	<i>Last Action</i> Passed from Accountability & Administrative Review to Appropriations committee April 30, 2014 <i>Current Location</i> Assembly Appropriations Committee

California Transportation Commission
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Bill #	Author	Title	Subject	Description	Status
<u>AB 2702</u>	Gonzalez	Highways	Project Delivery	This bill would make a nonsubstantive change to existing law that grants the Department of Transportation the full possession and control of all state highways	Last Action Introduced February 21, 2014 Current Location Assembly
<u>SB 1433</u>	Hill	Local Agency Public Construction Act	Project Delivery	This bill would amend the Public Contract Code relating to transit contracts to include in the definition of "transit operator" any other local or regional agency responsible for the construction of transit projects, thereby extending the design-build procurement authorization. The bill would eliminate the requirement that the project cost exceed a specified amount. The bill would delete the repeal date, thus extending the operation of these provisions indefinitely.	Last Action In Senate, read third time, passed Senate May 8, 2014 Current Location Assembly
Direct Impact to CTC					
Bill #	Author	Title	Subject	Description	Status
<u>AB 1910</u>	Gray	San Joaquin Valley Planning and Preparedness	Direct Impact to CTC	This bill would require the establishment of the San Joaquin Valley Regional Economic Planning and Preparedness Council, including a representative from the Commission. The purpose of the Council is to identify and develop the framework, funding, and strategies, programs, policies, partnerships, and opportunities necessary to address the growing need for a highly skilled and well-trained workforce to meet the needs of the Valley's emerging technology and energy economy.	Last Action In Assembly, read second time and amended, re-referred to Appropriations Committee May 5, 2014 Current Location Assembly Appropriations Committee
<u>AB 1957</u>	Dickinson	State Highway Route 16	Direct Impact to CTC	This bill would authorize the Commission to relinquish to the City of Sacramento the portion of State Highway Route 16 that is located within the city limits of that city and to relinquish to the County of Sacramento the portion of State Highway Route 16 that is located within the unincorporated area of that county under certain conditions.	Last Action Passed from Transportation to Appropriations Committee April 21, 2014 Current Location Assembly Appropriations Committee
<u>AB 2752</u>	Assembly Transportation Committee	Transportation Omnibus	Direct Impact to CTC	This is the 2014 Transportation Omnibus Bill. Corrects the title of the California State Transportation Agency and corrects obsolete code references in existing law that provides for the adoption of the state transportation improvement program by the State Transportation Commission and for the adoption of a congestion management program by specified local agencies and the duties of the Secretary of Transportation with regard to these programs. <i>This bill will also revise contracting provisions governing new county road construction/reconstruction work, revise provisions for the issuance of legacy license plates by DMV, clarify the Vehicle Code regarding the transport of hazardous materials, and correct other obsolete and erroneous cross-references.</i>	Last Action In Assembly, read second time, to consent calendar May 8, 2014 Current Location Assembly Consent Calendar

California Transportation Commission
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 as of May 14, 2014

Bill #	Author	Title	Subject	Description	Status
<u>SB 1095</u>	Evans	State Highway 12	Direct Impact to the Commission	This bill would revise the description of State Highway Route 12 in the freeway and expressway system. This bill also states the intent of the Legislature to enact legislation that would declare as surplus property 55 acres of the right-of-way acquired by the Department of Transportation for the abandoned State Highway Route 12 freeway alignment in the City of Santa Rosa.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File
<u>SB 1312</u>	Steinberg	Transportation Commission: Annual Report	Direct Impact to the Commission	This bill would amend Section 14536 of the Government Code relating to the Commission's preparation of the Annual Report to the Legislature by deleting the provisions relating to the loan and transfer summary and discussion that was to be included in the reports submitted between 2001 and 2008.	Last Action In Senate, read second time, to third reading April 24, 2014 Current Location Senate Third Reading File
<u>SB 1368</u>	Wolk	State Highways: Relinquishment	Direct Impact to the Commission	This bill would amend Section 73.01 by authorizing the Commission to relinquish a park-and-ride lot to a joint powers authority formed for purposes of providing transportation services.	Last Action In Senate Appropriations Committee, to Suspend May 12, 2014 Current Location Senate Appropriations Committee Suspend File
Planning and Environment					
Bill #	Author	Title	Subject	Description	Status
<u>AB 1081</u>	Medina	Economic Development: Goods-Movement Infrastructure	Planning	Existing law requires the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure plan containing specified information concerning infrastructure needed by state agencies, public schools, public post secondary educational institutions and a proposal for funding the needed infrastructure. This bill would require the infrastructure plan to include information related to infrastructure identified by state and federal transportation authorities and recommendations for private sector financing as specified.	Last Action In Senate Appropriations, held in committee August 30, 2013 Current Location Senate Appropriations Committee
<u>AB 1639</u>	Grove	Global Warming Solutions Act of 2006: GHG Emissions Limits	Environment	This bill would state the intent of the Legislature that moneys derived from emissions reductions measures be expended to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions in furtherance of achieving the statewide greenhouse gas emissions limit. The bill, as part of the 3-year investment plan, would require moneys appropriated from the Greenhouse Gas Reduction Fund be used to achieve the statewide greenhouse gas emissions limit provide that cap-and-trade revenues shall not be appropriated from the fund for purposes of the high-speed rail system, and would make legislative findings and declarations in that regard.	Last Action Failed passage in Natural Resources Committee, JR 62(a) and AR 56 suspended, re-referred to Transportation Committee April 28, 2014 Current Location Assembly Transportation Committee Scheduled for Hearing 5-1-14

California Transportation Commission
 Status of Legislation
 as of May 14, 2014

Bill #	Author	Title	Subject	Description	Status
<u>AB 1872</u>	Stone	Transportation Planning	Planning	This bill would make nonsubstantive changes to Section 14000 of the Government Code (Part 5 governing the Department of Transportation) that describes the findings of the Legislature for continuing and improving transportation planning at the state, regional and local level	Last Action Introduced February 19, 2014 Current Location Assembly
<u>AB 1970</u>	Gordon	Global Warming Solutions Act: Community Investment	Environment	This bill would create the Community Investment and Innovation Program and would require moneys to be available from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, for purposes of awarding local assistance grants and other financial assistance to eligible grant applicants, as defined, who submit plans to develop and implement integrated community-level greenhouse gas emissions reduction projects in their region. The bill would require the Strategic Growth Council, in consultation coordination with the state board, to administer the program, as specified. <i>Specifies that the allocation of monies for the purposes of this bill will be consistent with Chapter 4.1 of the Health and Safety Code including the allocation of monies to disadvantaged communities. The bill would require 25% of the moneys appropriated for purposes of the program be awarded to eligible grant applicants whose projects include and specifically benefit environmental justice communities, as defined.</i>	Last Action Placed on Suspense in Appropriations May 7, 2014 Current Location Assembly Appropriations Committee Suspense File
<u>AB 2008</u>	Quirk	CEQA: Infill Projects, Transit Village Plans: Goods Movement	Planning	This bill would require transit village plans to address demonstrable public benefits beyond the increase in transit usage including any 6 specified benefits. The bill would add as a public benefit the minimization of the impact of goods movement on air quality, traffic, and public safety through the provision of dedicated loading and unloading facilities for commercial space. This bill would require the Governor's Office of Planning and Research to revise the CEQA Guidelines to include minimizing the impacts of goods movement on air quality, traffic and public safety as one of the statewide standards for infill projects.	Last Action In Assembly, read second time, to Third Reading May 13, 2014 Current Location Assembly Third Reading File
<u>AB 2050</u>	Quirk	Global Warming Solutions Act	Planning	This bill would require ARB, among other things, to include specific elements when updating the scoping plan, to establish a Scoping Plan Advisory Panel, and to report to appropriate legislative committees key findings and recommendations.	Last Action Placed on Suspense in Appropriations May 7, 2014 Current Location Assembly Appropriations Committee Suspense File
<u>AB 2563</u>	Allen	State Freight Plan	Planning	This bill would require the Director of the Governor's Office of Business and Economic Development, or their designee, to serve on the Freight Advisory Committee and participate in the activities of the committee including efforts to develop the State Freight Plan.	Last Action In Assembly, read second time and amended, re-referred to Transportation Committee March 28, 2014 Current Location Assembly Transportation Committee
<u>AB 2639</u>	Lowenthal	State Freight Plan	Planning	This bill makes nonsubstantive changes to existing law that requires the Transportation Agency to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.	Last Action Introduced February 21, 2014 Current Location Assembly

California Transportation Commission
 Status of Legislation
 as of May 14, 2014

Bill #	Author	Title	Subject	Description	Status
<u>SB 731</u>	Steinberg	Environment: California Environmental Quality Act	Environment	This bill would enact the "CEQA Modernization Act of 2013" which would revise the California Environmental Quality Act to, among other things, provide greater certainty for smart infill development. States the intent of the Legislature to provide funds annually to the Strategic Growth Council for the purposes of providing planning incentive grants to local and regional agencies to implement Sustainable Communities Strategies. May 7th version adds a requirement for the Attorney General to annually submit to the Legislature a report containing specified information on CEQA litigation in the state, removes reference to funding from the Alternative and Renewable Fuel and Vehicle Technology Fund, and would require appropriation of funds by the Legislature for the Strategic Growth Council .	Last Action Passed from Assembly Committee on Local Government, to second reading September 11, 2013 Current Location Assembly Second Reading File
<u>SB 1268</u>	Beall	Natural Resources Climate Improvement Program	Environment	This bill establishes the Natural Resources Climate Improvement Program, to assist in the development and implementation of highly-leveraged, regionally integrated natural resources projects that maximize greenhouse gas emissions reductions or sequestration. Authorizes moneys from the Greenhouse Gas Reduction Fund to be available to implement the program.	Last Action In Senate, read second time and amended, re-referred to Appropriations Committee May 7, 2014 Current Location Senate Appropriations Committee
Aeronautics					
Bill #	Author	Title	Subject	Description	Status
<u>SB 15</u>	Padilla	Aviation: Unmanned Aircraft Systems	Aeronautics	This bill would: make it a crime to invade the privacy of an individual with devices or instrumentalities affixed to or contained within an unmanned aircraft system, requires that an application for a search warrant specify if an unmanned aircraft system will be used in warrant execution, and the intended purpose, require a law enforcement agency to obtain a search warrant, prohibit equipping aircraft with a weapon, provide for destruction of data collected, require the aircraft be properly labeled or painted.	Last Action Reconsideration granted in Committee August 27, 2013 Current Location Assembly Public Safety Committee

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STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR MARK DESAULNIER, Ex Officio
ASSEMBLY MEMBER BONNIE LOWENTHAL, Ex Officio

Andre Boutros, Executive Director

CALIFORNIA TRANSPORTATION COMMISSION

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May 21, 2014

The Honorable Mark DeSaulnier
Member of the Senate
Transportation and Housing Committee Chair
State Capitol, Room 5035
Sacramento, CA 95814

The Honorable Bonnie Lowenthal
Member of the Assembly
Transportation Committee Chair
State Capitol, Room 3152
Sacramento, CA 95814

Re: Support for Senate Joint Resolution (SJR) 24

Dear Senator DeSaulnier and Assembly Member Lowenthal:

The future of California's economy and our quality of life depend on a transportation system that provides safe, reliable, and efficient travel for people and goods. As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature in formulating and evaluating state policies and plans for California's transportation programs. Over the past decade, the Commission has consistently urged the Administration and Legislature to address the need for reliable and sustainable funding to preserve and expand the state's transportation system.

The 2011 Needs Assessment, prepared by statewide transportation stakeholders at the Commission's request, details the multi-modal needs of the state's transportation system over a 10 year period (2011 to 2020). The assessment identifies a \$538 billion need, consisting of \$341 billion for system preservation and \$197 billion for system expansion and management over the 10 year period. This assessment estimates that revenue from all sources, over that same period of time, only meets 45% of the need, resulting in a shortfall of approximately \$296 billion.

With the lack of predictable funding from year to year and projections of declining transportation revenue at the federal, state, and local levels, California has increasingly turned to alternative funding approaches such as maximizing borrowing mechanisms, employing innovative financing approaches, using tolling and pricing strategies, enacting dedicated sales tax at the local level and utilizing private funding to advance critical transportation improvements. While these alternatives help on a case-by-case basis, they do not provide a holistic, long-term solution that will satisfy the needs of the entire transportation system. The failure to adequately invest in the restoration of our roads, highways,

Honorable Mark Desaulnier, Member of the Senate
Honorable Bonnie Lowenthal, Member of the Assembly
May 21, 2014
Page 2 of 2

bridges, airports, seaports, railways, border crossings, and public transit will lead to further decline and potentially unrecoverable deterioration of service.

The Commission, at its May 21, 2014 meeting, adopted a position of support for Senate Joint Resolution (SJR) 24. SJR 24 encourages timely action by the President and the Congress of the United States to stabilize the federal Highway Trust Fund by developing a long-term plan to promote adequate federal Highway Trust Fund revenues. The Commission will also transmit a letter to the California Congressional Delegation urging action in this regard.

The Commission applauds your leadership on this issue in light of our dwindling resources and growing transportation system demands. The Commissioners and staff are available to provide any information that may assist you in moving this resolution forward. If you have any questions, please contact the Commission's Executive Director, Mr. Andre Boutros, at 916-654-4245.

Sincerely,

CARL GUARDINO
Chair

c: California Transportation Commissioners

Senate Joint Resolution**No. 24**

Introduced by Senator DeSaulnier
(Principal coauthor: Assembly Member Lowenthal)

April 21, 2014

Senate Joint Resolution No. 24—Relative to the federal Highway Trust Fund.

LEGISLATIVE COUNSEL'S DIGEST

SJR 24, as introduced, DeSaulnier. Federal Highway Trust Fund.

This measure would urge the President and the Congress of the United States to stabilize the federal Highway Trust Fund by developing a long-term plan to promote adequate federal Highway Trust Fund revenues, as specified.

Fiscal committee: no.

1 WHEREAS, A safe, efficient, and reliable surface transportation
2 network is vital to California's future economic growth, quality
3 of life, and security; and

4 WHEREAS, Inadequate investment in California's highway
5 and bridge infrastructure system is having a dramatic impact on
6 the citizens of California, causing them to spend too much time
7 idling on increasingly congested roads and bridges rather than with
8 their families; and

9 WHEREAS, The Moving Ahead for Progress in the 21st Century
10 Act (MAP-21), that authorized the federal highway and public
11 transportation programs, will expire September 30, 2014; and

12 WHEREAS, The federal Highway Trust Fund and its user
13 fee-based revenue stream supports all federal investment in
14 highway and bridge improvements and the vast majority of the
15 federal public transportation program; and

1 WHEREAS, The federal Highway Trust Fund experienced
2 revenue shortfalls in 2008, 2009, 2010, and 2012 that created
3 uncertainty about federal surface transportation investment
4 commitments; and

5 WHEREAS, The United States Department of Transportation
6 will begin slowing reimbursements to states for already approved
7 federal-aid projects as early as July of this year to preserve a
8 positive balance in the federal Highway Trust Fund; and

9 WHEREAS, The Congressional Budget Office reports the
10 federal Highway Trust Fund will be unable to support any new
11 highway or public transportation spending in the 2015 fiscal year
12 absent congressional action to increase trust fund revenues; and

13 WHEREAS, Eliminating federal highway and public
14 transportation investment in one year would threaten hundreds of
15 thousands of jobs nationwide and severely disrupt California's
16 long-term transportation improvement plans; now, therefore, be
17 it

18 *Resolved by the Senate and the Assembly of the State of*
19 *California, jointly,* That the Legislature urges timely action by the
20 President and the Congress of the United States to stabilize the
21 federal Highway Trust Fund by developing a long-term plan to
22 promote adequate federal Highway Trust Fund revenues that
23 achieves all of the following:

24 (a) Continues an appropriate role for the federal government in
25 sustaining a viable national transportation system.

26 (b) Contributes to deficit reductions and economic growth.

27 (c) Ensures the integrity of the surface transportation program
28 and resists funding diversions that have been harmful to public
29 support.

30 (d) Allows the Congress to pass a reauthorization of the federal
31 highway and public transportation programs before MAP-21
32 expires; and be it further

33 *Resolved,* That the Secretary of the Senate transmit copies of
34 this resolution to the President and Vice President of the United
35 States, the Speaker of the House of Representatives, the Majority
36 Leader of the Senate, each Senator and Representative from
37 California in the Congress of the United States, and to the author
38 for appropriate distribution.

CARL GUARDINO, Chair
LUCETTA DUNN, Vice Chair
BOB ALVARADO
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STATE OF CALIFORNIA

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Andre Boutros, Executive Director

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May 21, 2014

Dear

The California Transportation Commission (Commission) is submitting this letter to express our strong support for the passage of a long-term transportation authorization bill and for enacting immediate and long-term solutions to ensure the stability of the Highway Trust Fund. The future of the Nation's economy and quality of life depend on a transportation system that is safe and reliable, and which moves people and goods efficiently.

Transportation investments to preserve the Nation's transportation system have not kept pace with demand. In real terms, funding has diminished while the demand and the cost to maintain and operate the transportation system have soared. Our failure to adequately invest in transportation is a detriment not just to the quality of life for all Americans but to the Nation's economy.

The Country's long-term transportation infrastructure funding challenges are exacerbated by the Highway Trust Fund's looming short-term cash flow problem. The Congressional Budget Office forecasts the Highway Trust Fund will have insufficient revenues to meet obligations starting in fiscal year 2015. As a result, it is expected that, without your action, the Highway Trust Fund will delay payments during the latter half of 2014. And of even greater concern is that most of the taxes supporting the Highway Trust Fund will expire on September 30, 2016.

The problem is not limited to insufficient transportation funding in relation to transportation demand. The overarching and largely ignored issue is that taxes funding transportation investments do not directly charge users a fee proportionate with the cost of using the transportation system. This taxation scheme, if perpetuated, has far reaching consequences if not resolved. User fees should reflect the full cost of the transportation services provided, and account for externalities such as environmental, health, energy, security, economic, and other

benefits. Therefore, the Commission strongly urges replacing the current federal transportation methods for revenue generation with a method that directly charges users commensurate with the cost of using the transportation system.

More specifically, the Commission recommends that Congress enact a road user charge to replace or augment the traditional excise taxes. A road user charge would charge drivers directly for the miles driven in addition to or instead of using fuel consumption as a proxy for road usage. The excise taxes currently funding our transportation investments are paid based on fuel consumption not usage of the transportation system. As fuel consumption continues to decline due to improved and more fuel-efficient vehicles, and as consumers turn to alternative fueled vehicles, the relationship between fuel consumption and costs imposed on the transportation system will continue to deteriorate. A road user charge would be a more efficient and equitable option for funding transportation infrastructure than excise taxes since it directly charges users prices that reflect the full cost of the transportation services provided.

Moving to a road user charge or other new method of transportation revenue generation is a significant long-term endeavor. To address the need for short-term funding for the Highway Trust Fund, stability for the federal transportation program, and immediate transportation system needs, the Commission also urges Congress to increase and index to inflation the excise taxes on fuels.

What we do, or fail to do, to address this growing transportation infrastructure crisis will have tremendous impact on our future economic prosperity, the quality of our environment and our ability to accommodate our growing population.

Please be assured that the Commission will provide additional information to assist you in securing the revenues necessary to stabilize and grow the Highway Trust Fund. For additional information or if you have questions, please contact Andre Boutros, Commission Executive Director, at (916) 654-4245.

Sincerely,

Carl Guardino,
Chair