

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 26-27, 2019

From: SUSAN BRANSEN, Executive Director

Reference Number: 4.1, Action

Prepared By: Paul Golaszewski
Deputy Director

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Subject: **State and Federal Legislative Matters**

Issue:

Should the California Transportation Commission (Commission):

1. Accept the staff report on the proposed state legislation identified and monitored by staff as presented in Attachment A?
2. Adopt a position of support and submit a letter (included in Attachment B) to Assembly Member Cecilia Aguiar-Curry on Assembly Constitutional Amendment (ACA) 1? This bill, subject to approval by voters at a statewide election, lowers the voter threshold from two-thirds to 55 percent for local governments to impose special taxes to fund transportation and other infrastructure projects.
3. Adopt a position of support in concept and submit a letter (included in Attachment C) to Assembly Member Laura Friedman on Assembly Bill (AB) 285? This bill modifies requirements for the California Transportation Plan, including a requirement to forecast the impacts of emerging technologies on the state's transportation system.
4. Adopt a position of support and submit a letter (included in Attachment D) to Assembly Member Rudy Salas on AB 970? This bill creates a grant program to fund transportation services to and from nonemergency medical services for older individuals and individuals with disabilities.
5. Adopt a position of support and submit a letter (included in Attachment E) to Senator Jim Beall on Senate Joint Resolution (SJR) 5? This bill urges Congress and the President of the United States to address federal funding needs for transportation.

6. Send a comment letter (included in Attachment F) to Senator Jim Beall on Senate Bill (SB) 277? This bill modifies requirements for the Local Partnership Program.

Recommendation:

Commission staff recommends that the Commission:

1. Accept the staff report and provide direction on legislation of interest in Attachment A.
2. Adopt a position of support for ACA 1 and approve transmission of the letter to Assembly Member Cecilia Aguiar-Curry, included in Attachment B.
3. Adopt a position of support in concept for AB 285 and approve transmission of the letter to Assembly Member Laura Friedman, included in Attachment C.
4. Adopt a position of support for AB 970 and approve transmission of the letter to Assembly Member Rudy Salas, included in Attachment D.
5. Adopt a position of support for SJR 5 and approve transmission of the letter to Senator Jim Beall, included in Attachment E.
6. Send a comment letter to Senator Jim Beall regarding SB 277, included in Attachment F.

Update on Bills on Which the Commission Has Taken a Position

The deadline for bills to pass out of the house of origin was May 31, 2019. Four bills the Commission is supporting advanced to the second house: AB 185 (Grayson), AB 252 (Daly), AB 1413 (Gloria), and AB 1475 (Bauer-Kahan). The remaining two bills the Commission is supporting did not advance: AB 371 (Frazier) and AB 659 (Mullin). The Commission has not taken an oppose position on any bills.

Below is an update on the status of each of the six bills on which the Commission has taken a position. Additional information on each bill is included in Attachment A.

AB 185 (Grayson)

Subject: joint meetings

Commission position: support

This bill adds the Department of Housing and Community Development to the joint meetings currently held by the Commission and the California Air Resources Board.

The bill has passed the full Assembly and the Senate Transportation Committee. It will next be heard in the Senate Appropriations Committee.

AB 252 (Daly)

Subject: National Environmental Protection Act delegation

Commission position: support

This bill removes the sunset date for the California Department of Transportation (Department) to assume responsibilities for work required under the National Environmental Protection Act. The bill has passed the full Assembly and the Senate Transportation Committee. It will next be heard in the Senate Appropriations Committee.

AB 371 (Frazier)

Subject: freight industry assessment

Commission position: support

This bill requires the Governor's Office of Business and Economic Development to conduct a statewide economic growth, prosperity, and resiliency assessment of the state's freight industry. This bill was held in the Assembly Appropriations Committee.

AB 659 (Mullin)

Subject: emerging transportation technology grant program

Commission position: support in concept

This bill creates the California Smart Cities Challenge Grant Program, under the purview of the Commission, for municipalities to compete for grant funding for emerging transportation technologies to serve their transportation system needs. This bill was held in the Assembly Appropriations Committee.

AB 1413 (Gloria)

Subject: sales taxes for transportation

Commission position: support

This bill authorizes a local transportation authority to impose a sales tax applicable to only a portion of its county if the tax receives approval from two-thirds of voters

residing in the portion of the county to which the tax would apply. The bill has passed the full Assembly and will next be heard by the Senate Transportation Committee.

AB 1475 (Bauer-Kahan)

Subject: Construction Manager/General Contractor project delivery method

Commission position: support

This bill expands authorization for regional transportation agencies to employ the Construction Manager/General Contractor project delivery tool to include any transportation project that is not on the state highway system. The bill has passed the full Assembly and will next be heard by the Senate Transportation Committee.

Additional Bills Being Monitored

Commission staff are monitoring an additional 46 bills, pursuant to the Commission's bill monitoring policy, included in Attachment A. Among these bills, Commission staff recommend adopting a position of support or support in concept on ACA 1 (Aguiar-Curry), AB 285 (Friedman), AB 970 (Salas), and SJR 5 (Beall). Commission staff also recommend sending a comment letter on SB 277 (Beall).

ACA 1 (Aguiar-Curry)

Subject: voter threshold for local government special taxes and bonds

Staff recommendation: support

This measure would, subject to approval by voters at a statewide election, amend the California Constitution to lower the necessary voter threshold from two-thirds to 55 percent for a city, county, or special district to issue bonds or impose special taxes to fund specified housing and public infrastructure projects, including transportation projects. The bill has passed out of the Assembly Local Government Committee and the Assembly Appropriations Committee and is pending a vote on the Assembly floor.

This bill would implement a recommendation from the Commission's 2016 Annual Report to provide additional, reliable, and sufficient funding for transportation. Although SB 1 (Beall, 2017) recently provided critical funding increases for transportation, local governments still expect to face ongoing funding shortfalls to meet their transportation needs. ACA 1 would make it easier for cities, counties, and special districts to raise additional revenue to meet these needs.

Attachment B contains a draft support letter and copy of the bill.

AB 285 (Friedman)

Subject: California Transportation Plan (CTP) requirements

Staff recommendation: support in concept

This bill would require the Department to include a forecast of the impacts of advanced and emerging technologies on transportation systems as part of the CTP, beginning with the third update to the CTP in 2025. The bill also would require the Department to submit an interim report in 2022 that reviews progress in implementing past CTPs, assesses how the implementation of specified regional plans would impact the state's transportation system, and identifies opportunities to improve the coordination of specified transportation funding programs. In addition, the bill would update requirements for the CTP to reflect the state's recent adoption of a new greenhouse gas emissions reduction target and add environmental justice to the subject areas that the plan is required to consider for the movement of people and freight. The bill has passed the full Assembly and the Senate Transportation Committee and will next be heard in the Senate Committee on Environmental Quality.

This bill would implement a recommendation from the Commission's 2018 Annual Report to the Legislature. In this report, the Commission noted that emerging technologies involving shared, autonomous, connected, and electric transportation options have far-reaching implications for transportation policy and infrastructure. Given the potentially significant impact that such technologies will have on California's future transportation system, the Commission recommended the Legislature require that the CTP include a forecast of the impacts of advanced transportation technologies, as would be required under AB 285. Commission staff also recommend supporting in concept other requirements in AB 285, such as assessing the coordination among transportation grant programs. However, the author should consider whether another state entity besides the Department might be better positioned to perform some of the activities required as part of the interim report.

Attachment C contains a draft support in concept letter and copy of the bill.

AB 970 (Salas)

Subject: transportation grant program for older and disabled individuals

Staff recommendation: support

This bill would require the California Department of Aging, in coordination with the California Air Resources Board and the California Department of Health Care Services, to administer a grant program for specified local and regional agencies to

fund transportation to and from nonemergency medical services for older individuals and persons with disabilities. The bill would require such transportation services to be provided through the purchase, lease, operation or maintenance of zero-emission vehicles or near-zero emission vehicles. The program would be funded from the Greenhouse Gas Reduction Fund, upon an appropriation by the Legislature. The bill has passed the full Assembly and the Senate Committee on Human Services and will next be heard in the Senate Committee on Environmental Quality.

This bill will help address transportation needs of older and disabled individuals who often lack access to safe, reliable, and affordable transportation options. Providing transportation services for these individuals to reach their medical appointments is especially critical for their well-being as well as public health in California. The bill also will improve air quality and reduce greenhouse gas emissions by requiring grant recipients to utilize zero-emission or near-zero emission vehicles.

Attachment D contains a draft support letter and copy of the bill.

SJR 5 (Beall)

Subject: federal funding for transportation

Staff recommendation: support

This measure would urge Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously to ensure critical transportation projects can be delivered without delay, (2) work together to enact federal infrastructure legislation, and (3) address the shortfall in the federal Highway Trust Fund. The measure has passed the full Senate and will next be heard in the Assembly Transportation Committee.

This measure is consistent with the Commission's longstanding recognition of the need for the federal government to be a strong partner in providing stable, ongoing, timely funding for transportation. For example, in its 2018 Annual Report, the Commission recommended the Legislature alert Congress of the need to reimburse California for its backlog of federal highway emergency expenditures. Such support from the federal government is critical for the mobility of the state's residents as well as the state's continued economic prosperity.

Attachment E contains a draft support letter and copy of the bill.

SB 277 (Beall)

Subject: Local Partnership Program

Staff recommendation: provide a comment letter to the author

This bill would require the Commission to apportion 100 percent of Local Partnership Program funds on a formula basis to local and regional transportation agencies. The bill would require the Commission to establish guidelines on or before April 1, 2020 to: (1) identify minimum apportionments, (2) identify eligible local matching funds, (3) establish an apportionment formula, (4) establish the types of eligible projects, consistent with specified statutory and Constitutional restrictions, and (5) allow an eligible entity to retain its apportionment to accumulate and use in a subsequent year. Eligible entities would submit to the Commission a list of projects proposed to be funded, including a project description, location, schedule, and estimate of the useful life. The Commission would approve the project list unless a project is not consistent with project eligibility requirements. The bill also modifies the definition of eligible entities to conform with the definition in the Proposition 1B State-Local Partnership Program (SLPP). The bill has passed the full Senate and will next be heard in the Assembly Transportation Committee. However, if passed by the full Assembly, the bill will go back to the Senate as it has been amended since it passed the house of origin.

Commission staff recommend sending a comment letter to the author noting that the legislative intent of certain provisions is unclear. Most notably, the bill does not specify a distribution formula by which to apportion the funds, whereas the Proposition 1B SLPP statute directed the Commission to utilize a specific formula, thereby eliminating ambiguity regarding legislative intent. The absence of a specific formula in the bill also raises the question of whether the program could continue to offer incentive funding for new or renewed sales tax measures, tolls, or fees.

Additionally, it is unclear whether funds are to be distributed upfront to eligible entities or on a reimbursement basis. This is because the bill models some but not all apportionment language after the SB 1 Local Streets and Roads Program (LSRP). For example, whereas the LSRP statute specifies that funds are apportioned upon determination of eligibility, similar language does not appear in SB 277. It is also unclear whether the Commission would approve lists of projects in lieu of project allocations and how eligible entities would be held accountable for using funding in a timely manner.

Attachment F contains a draft comment letter and copy of the bill.

Federal Legislation:

On May 30, 2019, Commission staff participated in the second meeting of the California Transportation Federal Affairs Working Group, convened by Caltrans. This group is working to develop a California Surface Transportation Reauthorization Consensus Principles document, as has been done in the past. The group discussed various potential principles related to funding, project delivery, innovation, and sustainability.

On June 4, 2019, the House Appropriations Committee approved the fiscal year 2020 Transportation, Housing and Urban Development, and Related Agencies bill. The bill provides a total of \$86.6 billion in total funding for the U.S. Department of Transportation, an increase of \$167 million above the 2019 enacted level. Of this amount, the bill includes: \$48.9 billion for the Federal Highway Administration (\$404 million below the 2019 enacted level), \$13.5 billion for the Federal Transit Administration (\$60 million above the 2019 enacted level), \$3 billion for the Federal Railroad Administration (\$96 million above the 2019 enacted level), and \$1 billion for infrastructure investment programs (\$100 million above the 2019 enacted level). The legislation also includes a provision prohibiting the National Highway Transportation Safety Agency from finalizing the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule that would roll back fuel-economy standards and lead to increased greenhouse gas emissions from vehicles. Because the SAFE rule would put most regions of California out of conformity with national air quality standards, it would place at risk of delay and/or loss of funding an estimated 2,000 transportation projects throughout the state valued at over \$130 billion.

Attachments:

- Attachment A: Bills monitored by Commission staff
- Attachment B: ACA 1 (Aguiar-Curry): Support letter and bill text
- Attachment C: AB 285 (Friedman): Support in concept letter and bill text
- Attachment D: AB 970 (Salas): Support letter and bill text
- Attachment E: SJR 5 (Beall): Support letter and bill text
- Attachment F: SB 277 (Beall): Comment letter and bill text

Bills Supported by the Commission

AB 185 (Grayson). California Transportation Commission: transportation policies: joint meetings.

Status: Fiscal Committee, Second House

Summary: Existing law requires the California Transportation Commission and the California Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies. This bill would require the Department of Housing and Community Development to participate in those joint meetings.

AB 252 (Daly). Department of Transportation: environmental review process: federal program.

Status: Fiscal Committee, Second House

Summary: Current federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery program, under which the participating states may assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Current law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely.

AB 371 (Frazier). Transportation: freight: statewide economic growth, prosperity, and resiliency assessment.

Status: 2-year Bill

Summary: This bill would require the Governor's Office of Business and Economic Development, in consultation with the California Air Resources Board, the California Transportation Commission, and the California Transportation Agency, to prepare a statewide growth, prosperity, and resiliency assessment of the California freight industry on or before December 31, 2021, and to update the assessment at least once every five years. The bill would require the assessment to identify specified information, and would require the office, in developing the assessment, to consult with representatives from a cross section of public and private sector freight stakeholders.

AB 659 (Mullin). Transportation: emerging transportation technologies: California Smart City Challenge Grant Program.

Status: 2-year Bill

Summary: This bill would establish the California Smart City Challenge Grant Program to enable municipalities to apply to the California Transportation Commission for grant funding for emerging transportation technologies to serve their transportation system needs and would specify certain program goals. The bill would require the commission to form the California Smart City Challenge Workgroup on or before July 1, 2020, to guide the commission on program matters. The bill would make implementation of the grant program contingent upon an appropriation in the annual Budget Act, not to exceed ten million dollars (\$10,000,000), and require the source of the moneys to come from Proposition 1B generally, with the specific source to be proposed by the commission.

AB 1413 (Gloria). Transportation: local transportation authorities: transactions and use taxes.

Status: Policy Committee, Second House

Summary: This bill would authorize a local transportation authority to impose a tax applicable to only a portion of its county if 2/3 of the voters voting on the measure within the portion of the county to which the tax would apply vote to approve the tax, as specified, and other requirements are met, including that the revenues derived from the tax be spent within, or for the benefit of, the portion of the county to which the tax would apply.

AB 1475 (Bauer-Kahan). Construction Manager/General Contractor method: transportation projects.

Status: Policy Committee, Second House

Summary: Current law authorizes the California Department of Transportation to engage in a Construction Manager/General Contractor project delivery method (CM/GC method), as specified, for projects for the construction of a highway, bridge, or tunnel that has construction costs greater than \$10,000,000. Current law also authorizes regional transportation agencies, as defined, to use the CM/GC method for certain projects. This bill expands the authorization for regional transportation agencies to employ the Construction Manager/General Contractor project delivery tool to include any transportation project that is not on the state highway system.

Total Measures: 6

Additional Bills Monitored by Commission Staff

AB 29 (Holden). State Highway Route 710.

Status: Policy Committee, Second House

Summary: This bill would remove the portion of State Route (SR) 710 located north of Route 10 from the California freeway and expressway system in state law. The bill would authorize the California Transportation Commission, after projects have been agreed upon in the SR-710 North Project Study Area, as described, to relinquish to the Cities of Alhambra, Pasadena, and South Pasadena specified portions of SR 710 under conditions established through direct consultation and agreement, and upon terms and conditions the Commission finds to be in the best interests of the state, if the California Department of Transportation and the cities enter into an agreement providing for that relinquishment

AB 74 (Ting). Budget Act of 2019.

Status: Enrolled

Summary: This bill would make appropriations for the support of state government for the 2019–20 fiscal year. This bill would declare that it is to take effect immediately as a Budget Bill.

AB 87 (Committee on Budget). Transportation.

Status: Floor, Second House

Summary: This bill would require the California Transportation Commission to establish a competitive funding program to provide funds to the California Department of Transportation (Caltrans) or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The bill would require the Commission to adopt guidelines, in consultation with representatives from specified government and industry entities, by July 1, 2020, to be used by the Commission to select projects for programming and allocation. The bill would appropriate \$7,200,000, or a lesser amount, as specified, from unprogrammed project savings in the Trade Corridors Improvement Fund as of May 2020 to Caltrans for purposes of the program.

AB 146 (Quirk-Silva). State highways: property leases: County of Orange.

Current Text: Introduced: 12/14/2018 html pdf

Status: 2-year Bill

Summary: This bill would authorize the California Department of Transportation to lease airspace under a freeway, or real property acquired for highway purposes, in the County of Orange, that is not excess property, to a city located in the County of Orange, the County of Orange, a political subdivision of the state whose jurisdiction is located in the County of Orange, or another state agency for purposes of an emergency shelter or feeding program, subject to certain conditions. The bill would specifically authorize the Orange County Housing Finance Trust to enter into these leases.

AB 176 (Cervantes). California Alternative Energy and Advanced Transportation Financing Authority: sales and use taxes: exclusions.

Status: Policy Committee, Second House

Summary: Current law authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. This bill would require the authority, before July 1, 2020, to submit to the Legislature a report responding to the report of the Legislative Analyst's Office regarding the sales and use tax exclusion program and would require the report to address potential program overlap between the sales and use tax exclusion administered by the authority and the sale and use tax exemption administered by the California Department of Tax and Fee Administration.

AB 245 (Muratsuchi). California Aerospace and Aviation Commission: establishment.

Status: Policy Committee, Second House

Summary: This bill would establish, within the Governor's Office of Business and Economic Development, the California Aerospace and Aviation Commission consisting of 17 members, as specified, to serve as a central point of contact for businesses engaged in the aerospace and aviation industries and to support the health and competitiveness of these industries in California. The bill would require the commission to make recommendations on legislative and administrative action that may be necessary or helpful to maintain or improve the state's aerospace and aviation

industries and authorize the commission to engage in various other activities in undertaking its mission and responsibilities.

AB 246 (Mathis). State highways: property leases.

Status: 2-year Bill

Summary: This bill would authorize the California Department of Transportation to offer a lease on a right of first refusal basis of any airspace under a freeway, or real property acquired for highway purposes, located in a disadvantaged community, that is not excess property to the city or county in which the disadvantaged community is located for purposes of an emergency shelter or feeding program, or for park, recreational, or open-space purposes for a rental amount of \$1 per month, subject to certain conditions.

AB 285 (Friedman). California Transportation Plan.

Status: Fiscal Committee, Second House

Summary: Commencing with the 3rd update to the California Transportation Plan (CTP) to be completed by December 31, 2025, this bill would require the California Department of Transportation (Caltrans) to include specified information in the CTP, including, among other things, a forecast of the impacts of advanced and emerging technologies over a 20-year horizon on the state transportation system. The bill would also update the CTP to require that it address updated greenhouse gas emissions reduction targets in state law, among other provisions.

AB 313 (Frazier). Road Maintenance and Rehabilitation Account: University of California: California State University: reports.

Status: Policy Committee, Second House

Summary: This bill would require the University of California and the California State University, on or before January 1 of each year, to each submit a report to the California Transportation Agency and specified legislative committees detailing its expenditures from the Road Maintenance and Rehabilitation Account for the previous year, including, but not limited to, research activities and administration.

AB 380 (Frazier). Office of the Transportation Inspector General.

Status: 2-year Bill

Summary: This bill would eliminate the Independent Office of Audits and Investigations within the California Department of Transportation and would instead create the Independent Office of the Transportation Inspector General in state government, as an independent office that would not be a subdivision of any other government entity, to ensure that specified state agencies and all external entities that receive state and federal transportation funds are operating efficiently, effectively, and in compliance with federal and state laws. The bill would require the Governor to appoint the Transportation Inspector General for a 4-year term, subject to confirmation by the Senate, and would prohibit the Transportation Inspector General from being removed from office during the term except for good cause.

AB 449 (Gallagher). Local alternative transportation improvement program: Feather River crossing.

Status: Policy Committee, Second House

Summary: Current law, in certain cases, requires the California Transportation Commission to reallocate funds from canceled state highway projects to a local alternative transportation improvement program within the same county and exempts those funds from the fair share distribution formulas that would otherwise be applicable. This bill, with respect to planned state transportation facilities over the Feather River in the City of Yuba City and the Counties of Sutter and Yuba, which facilities are no longer planned to be constructed, would authorize the affected local agencies, acting jointly with the transportation planning agency having jurisdiction, to develop and file with the California Transportation Commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the area that was to be served by the canceled state facilities.

AB 676 (Frazier). California Transportation Commission: annual report.

Status: 2-year Bill

Summary: Current law requires the California Transportation Commission to adopt and submit to the Legislature, by December 15 of each year, an annual report summarizing the commission's prior-year decisions in allocating transportation capital outlay appropriations and identifying timely and relevant transportation issues facing the state. This bill would instead require the commission to adopt and submit the annual report by December 31 of each year.

AB 821 (O'Donnell). Transportation: Trade Corridor Enhancement Account: project nomination: California Port Efficiency Program.

Status: 2-year Bill

Summary: Current law creates the Trade Corridor Enhancement Account to receive revenues attributable to 50% of a \$0.20 per gallon increase in the diesel fuel excise tax imposed by the Road Repair and Accountability Act of 2017 for corridor-based freight projects nominated by local agencies and the state. Current law makes these funds and certain federal funds apportioned to the state available upon appropriation for allocation by the California Transportation Commission for trade infrastructure improvement projects that meet specified requirements. This bill would require the commission to allocate not less than 10% of the funds that are required to be allocated to projects nominated by the California Department of Transportation to projects nominated pursuant to the California Port Efficiency Program, which this bill would create.

AB 847 (Grayson). Housing: transportation-related impact fees grant program.

Status: 2-year Bill

Summary: This bill would require the Department of Housing and Community Development, upon appropriation by the Legislature, to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project, as defined, by the local jurisdiction.

AB 905 (Chen). Department of Transportation: Highway Design Manual: fire prone areas.

Status: 2-year Bill

Summary: This bill would require the California Department of Transportation to update its Highway Design Manual to incorporate the use of k-rails, weed mats, or other fire proofing devices in fire prone areas.

AB 970 (Salas). California Department of Aging: grants: transportation.

Status: Policy Committee, Second House

Summary: This bill would require the California Department of Aging to administer a grant program for area agencies on aging and public transit operators to fund transportation to and from nonemergency medical services for older individuals and persons with a disability, for the purpose of reducing greenhouse gas emissions. The bill would require that transportation be made available using the purchase, lease, operation, or maintenance of zero-emission or near-zero-emission vehicles with a capacity for 7, 12, or 15 passengers.

AB 1025 (Grayson). Transportation: California Transportation Commission: San Ramon Branch Corridor: reimbursement.

Status: Policy Committee, Second House

Summary: In the 1980s, the California Transportation Commission allocated funds appropriated to it from the Transportation Planning and Development Account to the County of Contra Costa for the acquisition of a specified right-of-way, and for associated projects, relating to the San Ramon Branch Corridor. The resolutions allocating the funds require the county to reimburse the state if the county fails to meet specified conditions. This bill would relinquish the rights of the state to reimbursement pursuant to those resolutions. The bill also would require the County of Contra Costa to revise the bylaws of the Iron Horse Corridor Management Program Advisory Committee to: (1) include a seat for a Contra Costa Transportation Authority representative, (2) expand the management program elements to include a new, seventh element that considers proposals to study new and emerging mobility modes and technologies in the corridor, and (3) include a new task in the committee's work program to recommend a framework for acting on these proposals.

AB 1112 (Friedman). Shared mobility devices: local regulation.

Status: Policy Committee, Second House

Summary: This bill would authorize a local authority to regulate motorized scooters by, among other things, assessing limited penalties for moving or parking violations involving the use of motorized scooters. The bill would prohibit a local authority from subjecting the riders of shared scooters to requirements more restrictive than those applicable to riders of privately-owned motorized scooters or bicycles. The bill would authorize a local authority to regulate scooter share operators by, among other things, requiring a scooter share operator to pay fees that do not exceed the reasonable cost to the local authority of regulating the scooter share operator.

AB 1142 (Friedman). Regional transportation plans: transportation network companies.

Status: Policy Committee, Second House

Summary: Current law requires a regional transportation plan to include a policy element, an action element, a financial element, and, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy. Current law authorizes the policy element of transportation planning agencies with populations that exceed 200,000 persons to quantify a set of specified indicators. This bill would authorize the inclusion of two additional indicators regarding measures of policies to increase use of existing transit and percentage of trips made by transportation network companies. The bill also would require the California Public Utilities Commission to consider the needs of state and regional planning agencies and other entities with regard to data on transportation network companies.

AB 1226 (Holden). State highways: property leases: assessment.

Status: Policy Committee, Second House

Summary: This bill would authorize the California Department of Transportation to lease airspace that it owns to a city, county, or other political subdivision or another state agency for emergency shelter, feeding program, or wraparound services purposes, or any combination of these purposes, subject to specified terms and conditions.

AB 1243 (Fong). Traffic Relief and Road Improvement Act.

Status: Policy Committee, First House

Summary: This bill would create the Traffic Relief and Road Improvement Program to address traffic congestion and deferred maintenance on the state highway system and the local street and road system. The bill would provide for the deposit of various existing sources of revenue in the Traffic Relief and Road Improvement Account, including revenues attributable to the sales and use tax on motor vehicles, revenues attributable to automobile and motor vehicle insurance policies from the insurer gross premiums tax, and certain miscellaneous State Highway Account revenues. The bill also would eliminate the use of weight fee revenues for state transportation general obligation bond debt service and retain those revenues in the State Highway Account. Additionally, the bill would prohibit the California Environmental Quality Act from applying to a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of existing

transportation infrastructure, or to the addition of an auxiliary lane or bikeway to existing transportation infrastructure under certain conditions.

AB 1262 (O'Donnell). California Sustainable Freight Action Plan.

Status: 2-year Bill

Summary: This bill would require, by January 1, 2021, and every 5 years thereafter, the California Air Resources Board, the California Department of Transportation, the State Energy Resources Conservation and Development Commission, and the Governor's Office of Business and Economic Development, in collaboration with relevant stakeholders, to update the California Sustainable Freight Action Plan.

AB 1274 (Arambula). California Partnership for the San Joaquin Valley.

Status: Policy Committee, Second House

Summary: By executive order in 2005, and continued in existence by executive orders in 2006, 2008, and 2010, the California Partnership for the San Joaquin Valley was established as a public-private partnership to, among other things, identify projects and programs that will improve the economic vitality of the San Joaquin Valley. This bill would establish in statute the California Partnership for the San Joaquin Valley for the same purposes. The bill would incorporate language of the executive orders to, among other things, require the partnership to identify projects and programs that will improve the economic vitality of the San Joaquin Valley. Serving on the California Transportation Commission establishes eligibility for appointment by the Governor to a specified class of voting directors in the partnership.

AB 1277 (Oberholte). Transportation projects: oversight committees.

Status: 2-year Bill

Summary: This bill would require a public agency undertaking a publicly funded major transportation infrastructure construction project that is estimated to cost \$500,000,000 or more to form an oversight committee subject to applicable open meeting laws and to develop and use risk management plans throughout the course of the project. The bill would require the oversight committee (1) to be composed of specified individuals, (2) to act as the authority for critical decisions regarding the project, and (3) to have sufficient staff to support decision making.

AB 1374 (Fong). Department of Transportation: state highways.

Status: 2-year Bill

Summary: Current law establishes the California Department of Transportation (Caltrans) and the California Transportation Commission and provides that Caltrans has full possession and control of all state highways and all property and rights in property acquired for state highway purposes and authorizes and directs Caltrans to lay out and construct all state highways between the termini designated by law and on the locations as determined by the commission. This bill would make nonsubstantive changes to these provisions.

AB 1402 (Petrie-Norris). Active Transportation Program.

Status: 2-year Bill

Summary: This bill would require the California Department of Transportation, instead of the California Transportation Commission, to award Active Transportation Program funds to projects in the statewide and small urban and rural region distribution categories and to adopt a program of projects for those distribution categories. The bill would require that 75% of available funds be awarded to metropolitan planning organizations in urban areas with populations greater than 200,000, in proportion to their relative share of the population, 15% to small urban and rural regions with populations of 200,000 or less, competitively awarded by the department to projects in those regions, and 10% to projects competitively awarded by the department, in consultation with the commission, on a statewide basis.

AB 1430 (Garcia, Eduardo). State government: public investment opportunities: cost-effective definition.

Status: 2-year Bill

Summary: Current law authorizes the California Public Utilities Commission, the California Air Resources Board, the California Transportation Commission, and the California Labor and Workforce Development Agency to invest public moneys on various project and programs. Current law requires some of those investments to be cost effective. This bill would require these agencies, by January 1, 2021, to provide a joint assessment of options for redefining the term "cost-effective" to the Legislature for the purposes of prioritizing public investment opportunities.

AB 1456 (Kiley). State highways: Route 193: relinquishment.

Status: Policy Committee, Second House

Summary: Existing law acknowledges the relinquishment of a portion of Route 193 in the City of Lincoln and requires the city to install and maintain signs directing motorists to the continuation of Route 193 and to other routes, and to ensure the continuity of traffic flow on the relinquished portion of Route 193. This bill would repeal those requirements on the city. The bill also would authorize the California Transportation Commission to relinquish to the City of Lincoln the portion of Route 193 within its city limits, upon terms and conditions the commission finds to be in the best interests of the state, if the California Department of Transportation and the city enter into an agreement providing for that relinquishment.

AB 1568 (McCarty). Housing law compliance: prohibition on applying for state grants.

Status: 2-year Bill

Summary: Current law prescribes requirements for the preparation of a housing element, including a requirement that a planning agency submit a draft of the element or an amendment to the Department of Housing and Community Development. Current law requires the department to review the draft and report its written findings, including whether the draft substantially complies with the law. This bill would, on or before January 1, 2025, prohibit a city or county found to be in violation of the housing element law from applying for a state grant, unless (1) the fund source of the state grant is constitutionally protected under a provision related to state taxes and fees on motor vehicles and motor vehicle fuels, or (2) the state grant funds, if awarded to the city or county, would assist the city or county in complying with the housing element law.

AB 1810 (Committee on Transportation). Transportation: omnibus bill.

Status: Policy Committee, Second House

Summary: This bill would exclude the California Transportation Commission from the California Transportation Agency, establish it as an entity in state government, and require it to act in an independent oversight role.

ACA 1 (Aguiar-Curry). Local government financing: affordable housing and public infrastructure: voter approval.

Status: Floor, First House

Summary: The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, including transportation infrastructure, as well as affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

SB 5 (Beall). Affordable Housing and Community Development Investment Program.

Status: Policy Committee, Second House

Summary: This bill would establish in state government the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the Sustainable Investment Incentive Committee to participate in the program and would authorize the committee to approve or deny applications for projects meeting specific criteria.

SB 7 (Portantino). State Highway Route 710: surplus residential and nonresidential property.

Status: Policy Committee, Second House

Summary: This bill would require for surplus nonresidential properties for State Route 710 in the County of Los Angeles that purchases of those properties by tenants in good standing be offered at fair market value as determined relative to the current use of the property, if the tenant is a nonprofit organization or a city.

SB 59 (Allen). Autonomous vehicle technology: Statewide policy.

Status: Policy Committee, Second House

Summary: This bill would establish guiding principles relating to autonomous vehicles in order to ensure that these vehicles support the state's efforts to, among other things, reduce greenhouse gas emissions, reduce traffic congestion and vehicle miles traveled, and encourage efficient land use. The bill would require the Office of Planning and Research, in coordination with the California Air Resources Board, to convene an autonomous vehicle interagency working group of specified state agencies, including, among others, the California Transportation Agency, the California Department of Transportation, and the California Department of Motor Vehicles, to guide policy development for autonomous vehicle technology consistent with the guiding principles.

SB 127 (Wiener). Transportation funding: active transportation: complete streets.

Status: Policy Committee, Second House

Summary: The bill would require the California Transportation Commission, in connection with the California Department of Transportation's (Caltrans) asset management plan, to adopt performance measures that include conditions of bicycle and pedestrian facilities, accessibility and safety for pedestrians, bicyclists, and transit users, and vehicle miles traveled on the state highway system. The bill would require that specified State Highway Operation and Protection Program projects include capital improvements relative to accessibility for pedestrians, bicyclists, and transit users. The bill also would establish an Active Transportation Asset Branch within Caltrans.

SB 128 (Beall). Public contracts: Best Value Construction Contracting for Counties Pilot Program.

Status: Policy Committee, Second House

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. Current law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. Current law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters.

SB 137 (Dodd). Federal transportation funds: state exchange programs.

Status: Policy Committee, Second House

Summary: Current federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Highway Safety Improvement Program, subject to certain conditions on the use of those funds. Current law establishes the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system, and funds that program from fuel taxes and an annual transportation improvement fee imposed on vehicles. This bill would authorize the California Department of Transportation to allow the above-described federal transportation funds that are allocated as local assistance to be exchanged for Road Maintenance and Rehabilitation Program funds.

SB 152 (Beall). Active Transportation Program.

Status: 2-year Bill

Summary: Current law establishes the Active Transportation Program for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. Existing law requires specified funds for the program to be appropriated to the California Department of Transportation (Caltrans) and allocated to eligible projects by the California Transportation Commission. This bill would require that 60% of available funds be awarded to projects selected by metropolitan planning organizations (MPO) in urban areas with populations greater than 200,000, 15% to fund projects in small urban and rural regions, and 25% to projects competitively awarded by the commission on a statewide basis. With respect to the funds made available to MPOs, the bill would require the commission to allocate those funds as a lump sum to Caltrans for disbursement to each MPO for projects selected by the applicable MPO, unless the MPO requests the commission to conduct the competitive selection process on its behalf. The bill also would authorize the commission to allocate to Caltrans a portion of the funds in the small urban and rural and the statewide components. The bill would make the provisions of the bill apply only to the 5th and successive funding cycles of the Active Transportation Program.

SB 162 (Galgiani). State Board of Equalization: oversight of local voter approved bonds.

Status: Policy Committee, Second House

Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2021, the authority to provide financial assistance to a participating party in the form of specified sales and use tax exclusions for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. This bill would extend the authorization to provide financial assistance in the form of a sales and use tax exclusion for qualifying projects until January 1, 2030 and would extend the sales and use tax exclusion until January 1, 2030.

SB 211 (Beall). State highways: leases.

Status: Policy Committee, Second House

Summary: This bill would authorize the California Department of Transportation to lease on a right of first refusal basis any airspace under a freeway, or real property acquired for highway purposes, that is not excess property, to the city or county in which the airspace or real property is located, or to a political subdivision of the city or county, for purposes of an emergency shelter or feeding program for a lease amount, for up to 10 parcels in the city or county, or political subdivision of the city or county, of \$1 per month, and a payment of an administrative fee not to exceed \$500 per year, as specified.

SB 356 (McGuire). North Coast Railroad Authority: rail right-of-way: Sonoma-Marin Area Rail Transit District.

Status: Policy Committee, Second House

Summary: This bill would require the North Coast Railroad Authority, within 90 days of removing all of its debts, liabilities, and contractual obligations, to convey and transfer its rights, interests, privileges, and title, lien free, relating to a specified rail right-of-way, its licenses and certificates of public convenience and necessity, any common carrier obligations held by the authority or an associated freight operator, and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District. The bill also would require the district to create and maintain a trail that runs in, or parallel to, the right-of-way, as appropriate, and connects to the district's bicycle and pedestrian pathways to the extent feasible.

SB 498 (Hurtado). Trade Corridors Improvement Fund: grant program: short-line railroads.

Status: Policy Committee, Second House

Summary: This bill would require the California Transportation Commission to establish a competitive grant program in the 2020–21 and 2021–22 fiscal years for the California Department of Transportation and regional transportation planning agencies, or both, to fund short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The grant program would be funded from Trade Corridor Improvement Fund program savings.

SB 504 (Monning). State highways: Route 1: relinquishment.

Status: Policy Committee, Second House

Summary: This bill would authorize the California Transportation Commission to relinquish to the City of Pismo Beach specified portions of Route 1 within its city limits, upon terms and conditions the commission finds to be in the best interests of the state, if the California Department of Transportation and the city enter into an agreement providing for that relinquishment.

SB 526 (Allen). Regional transportation plans: greenhouse gas emissions: State Mobility Action Plan for Healthy Communities.

Status: 2-year Bill

Summary: Current law requires the California Air Resources Board (CARB), by September 1, 2018, and every 4 years thereafter, to prepare a report that assesses progress made by each metropolitan planning organization (MPO) in meeting the regional greenhouse gas emission reduction targets set by CARB. This bill would require CARB to adopt a regulation that requires an MPO to provide any data that CARB determines is necessary to fulfill the requirements of the above-described report and to determine if the MPO is on track to meet its 2035 greenhouse gas emission reduction target. The bill also would require the action element prepared by an MPO to identify near and long-term steps to be taken to implement a sustainable communities strategy and it would require the MPO to monitor progress toward implementing these steps and to report that progress to CARB. Additionally, the bill would establish an interagency working group to be administered by the Strategic Growth Council and to be composed of a specified membership, including the Chair of the California Transportation Commission, to develop and implement a State Mobility Action Plan for Healthy Communities.

SB 628 (Caballero). Prunedale Bypass: disposition of excess properties: relinquishment: State Route 183.

Status: Policy Committee, Second House

Summary: This bill would require the net proceeds from the sale of any excess properties originally acquired for a replacement alignment for State Highway Route 101 in the County of Monterey, known as the former Prunedale Bypass, to be reserved in the State Highway Account for programming and allocation by the California Transportation Commission, with the concurrence of the California Transportation Agency for Monterey County, for other state highway projects in that county, as specified. The bill would exempt these funds from the distribution formulas otherwise applicable to transportation capital improvement funds.

SJR 5 (Beall). California transportation infrastructure.

Status: Policy Committee, Second House

Summary: This bill would urge the Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously and without delay, (2) work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California's and other states' crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation, most particularly, by expanding paratransit services for the elderly and those with special needs, and (3) address the shortfall in the federal Highway Trust Fund by restoring the lost purchasing power of the federal fuel tax, in order to provide the long-term funding stability necessary for California and other states.

Total Measures: 46

FRAN INMAN, Chair
PAUL VAN KONYENBURG, Vice Chair
BOB ALVARADO
YVONNE B. BURKE
LUCETTA DUNN
JAMES C. GHIELMETTI
CARL GUARDINO
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STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

SENATOR JIM BEALL, Ex Officio
ASSEMBLY MEMBER JIM FRAZIER, Ex Officio

SUSAN BRANSEN, Executive Director



CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
SACRAMENTO, CA 94273-0001
(916) 654-4245
FAX (916) 653-2134
<http://www.catc.ca.gov>

June 26, 2019

The Honorable Cecilia Aguiar-Curry
Member of the Assembly
State Capitol, Room 5144
Sacramento, CA 95814

Re: Support for Assembly Constitutional Amendment 1

Dear Assembly Member Aguiar-Curry:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve California's transportation system.

The Commission adopted a position to support Assembly Constitutional Amendment (ACA) 1 at its June 26, 2019 meeting. This measure would, subject to approval by voters at a statewide election, amend the California Constitution to lower the necessary voter threshold from two-thirds to 55 percent for a city, county, or special district to incur bonded indebtedness or impose special taxes to fund specified housing and public infrastructure projects, including transportation projects.

In its 2016 Annual Report, the Commission recommended the Legislature provide additional, reliable, and sufficient funding for transportation. While Senate Bill 1 (Beall, 2017) provided critical funding increases, the Commission recognizes that large funding gaps remain for local governments to adequately finance their transportation systems. ACA 1 would make it easier for cities, counties, and special districts to raise additional revenue to meet their transportation needs.

Assembly Member Aguiar-Curry

RE: Support for ACA 1

June 26, 2019

Page 2

The Commission commends your leadership in identifying ways to increase funding for transportation. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN

Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency

AMENDED IN ASSEMBLY MARCH 18, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

Assembly Constitutional Amendment

No. 1

Introduced by Assembly Member Aguiar-Curry

(Principal coauthor: Assembly Member Chiu)

(Principal coauthor: Senator Wiener)

(Coauthors: Assembly Members ~~Chiu~~, Berman, Bloom, Bonta, Burke, Cooper, Eggman, Frazier, Eduardo Garcia, Gipson, Gloria, Gonzalez, Grayson, Holden, Jones-Sawyer, Kalra, Levine, Low, McCarty, Mullin, Nazarian, Quirk, Luz Rivas, Robert Rivas, Blanca Rubio, Santiago, and Ting Mark Stone, Ting, Weber, Wicks, Wood, and Chu)

(Coauthors: Senators Beall, Hill, and Skinner)

December 3, 2018

Assembly Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 1, as amended, Aguiar-Curry. Local government financing: affordable housing and public infrastructure: voter approval.

(1) The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional exception to the 1% limit that would authorize a city, county, ~~or city and county~~ *city and county*,

or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public ~~infrastructure~~ or infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.

(2) The California Constitution conditions the imposition of a special tax by a local government upon the approval of $\frac{2}{3}$ of the voters of the local government voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public ~~infrastructure~~ or infrastructure, affordable housing, or permanent supportive housing if the proposition proposing that tax is approved by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. This measure would also make conforming changes to related provisions. *The measure would specify that these provisions apply to any local measure imposing, extending, or increasing a sales and use tax, transactions and use tax, or parcel tax for these purposes that is submitted at the same election as this measure.*

(3) The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, without the assent of $\frac{2}{3}$ of the voters and subject to other conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, to be adopted

upon the approval of 55% of the voters of the district or county, as appropriate, voting on the proposition at an election.

This measure would *expressly prohibit a special district, other than a board of education or school district, from incurring any indebtedness or liability exceeding any applicable statutory limit, as prescribed by the statutes governing the special district. The measure would also similarly lower to 55% the voter approval threshold for a require the approval of 55% of the voters of the city, county, or city and county city and county, or special district, as applicable, to incur bonded indebtedness, exceeding in any year the income and revenue provided in that year, that is in the form of general obligation bonds issued to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing housing, or permanent supportive housing projects, if the proposition proposing that bond includes specified accountability requirements. The measure would specify that this 55% threshold applies to any proposition for the incurrence of indebtedness by a city, county, city and county, or special district for these purposes that is submitted at the same election as this measure.*

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

- 1 *Resolved by the Assembly, the Senate concurring,* That the
- 2 Legislature of the State of California at its ~~2017-18~~ 2019-20
- 3 Regular Session commencing on the ~~fifth~~ third day of December
- 4 ~~2016,~~ 2018, two-thirds of the membership of each house
- 5 concurring, hereby proposes to the people of the State of California,
- 6 that the Constitution of the State be amended as follows:
- 7 First—That Section 1 of Article XIII A thereof is amended to
- 8 read:
- 9 SECTION 1. (a) The maximum amount of any ad valorem
- 10 tax on real property shall not exceed 1 percent of the full cash
- 11 value of that property. The 1 percent tax shall be collected by the
- 12 counties and apportioned according to law to the districts within
- 13 the counties.
- 14 (b) The limitation provided for in subdivision (a) shall not apply
- 15 to ad valorem taxes or special assessments to pay the interest and
- 16 redemption charges on any of the following:
- 17 (1) Indebtedness approved by the voters before July 1, 1978.

1 (2) Bonded indebtedness to fund the acquisition or improvement
2 of real property approved on or after July 1, 1978, by two-thirds
3 of the votes cast by the voters voting on the proposition.

4 (3) Bonded indebtedness incurred by a school district,
5 community college district, or county office of education for the
6 construction, reconstruction, rehabilitation, or replacement of
7 school facilities, including the furnishing and equipping of school
8 facilities, or the acquisition or lease of real property for school
9 facilities, approved by 55 percent of the voters of the district or
10 county, as appropriate, voting on the proposition on or after
11 November 8, 2000. This paragraph shall apply only if the
12 proposition approved by the voters and resulting in the bonded
13 indebtedness includes all of the following accountability
14 requirements:

15 (A) A requirement that the proceeds from the sale of the bonds
16 be used only for the purposes specified in this paragraph, and not
17 for any other purpose, including teacher and administrator salaries
18 and other school operating expenses.

19 (B) A list of the specific school facilities projects to be funded
20 and certification that the school district board, community college
21 board, or county office of education has evaluated safety, class
22 size reduction, and information technology needs in developing
23 that list.

24 (C) A requirement that the school district board, community
25 college board, or county office of education conduct an annual,
26 independent performance audit to ensure that the funds have been
27 expended only on the specific projects listed.

28 (D) A requirement that the school district board, community
29 college board, or county office of education conduct an annual,
30 independent financial audit of the proceeds from the sale of the
31 bonds until all of those proceeds have been expended for the school
32 facilities projects.

33 (4) (A) Bonded indebtedness incurred by a city, county, ~~or city~~
34 ~~and county~~ *city and county, or special district* for the construction,
35 reconstruction, rehabilitation, or replacement of public
36 ~~infrastructure or infrastructure~~, affordable housing, *or permanent*
37 *supportive housing for persons at risk of chronic homelessness,*
38 *including persons with mental illness,* or the acquisition or lease
39 of real property for public ~~infrastructure or infrastructure~~,
40 affordable housing, *or permanent supportive housing for persons*

1 *at risk of chronic homelessness, including persons with mental*
2 *illness, approved by 55 percent of the voters of the city, county,*
3 ~~*or city and county city and county, or special district,*~~ as
4 appropriate, voting on the proposition on or after the effective date
5 of the measure adding this paragraph. This paragraph shall apply
6 only if the proposition approved by the voters and resulting in the
7 bonded indebtedness includes all of the following accountability
8 requirements:

9 (i) A requirement that the proceeds from the sale of the bonds
10 be used only for the purposes specified in this paragraph, and not
11 for any other purpose, including ~~*city, county, or city and county*~~
12 ~~*city and county, or special district*~~ employee salaries and other
13 operating expenses.

14 (ii) A list of the specific projects to be funded, and a certification
15 that the ~~*city, county, or city and county city and county, or special*~~
16 ~~*district*~~ has evaluated alternative funding sources.

17 (iii) A requirement that the ~~*city, county, or city and county city*~~
18 ~~*and county, or special district*~~ conduct an annual, independent
19 performance audit to ensure that the funds have been expended
20 only on the specific projects listed.

21 (iv) A requirement that the ~~*city, county, or city and county city*~~
22 ~~*and county, or special district*~~ conduct an annual, independent
23 financial audit of the proceeds from the sale of the bonds until all
24 of those proceeds have been expended for the public infrastructure
25 or affordable housing projects, as applicable.

26 (v) A requirement that the ~~*city, county, or city and county city*~~
27 ~~*and county, or special district*~~ post the audits required by clauses
28 (iii) and (iv) in a manner that is easily accessible to the public.

29 (vi) A requirement that the ~~*city, county, or city and county city*~~
30 ~~*and county, or special district*~~ appoint a citizens' oversight
31 committee to ensure that bond proceeds are expended only for the
32 purposes described in the measure approved by the voters.

33 (B) For purposes of this paragraph, ~~“affordable paragraph:~~

34 (i) “Affordable housing” shall include housing developments,
35 or portions of housing developments, that provide workforce
36 housing affordable to households earning up to 150 percent of
37 countywide median income, and housing developments, or portions
38 of housing developments, that provide housing affordable to lower,
39 low-, or very low income households, as those terms are defined
40 in state law.

1 (ii) “At risk of chronic homelessness” includes, but is not limited
 2 to, persons who are at high risk of long-term or intermittent
 3 homelessness, including persons with mental illness exiting
 4 institutionalized settings, including, but not limited to, jail and
 5 mental health facilities, who were homeless prior to admission,
 6 transition age youth experiencing homelessness or with significant
 7 barriers to housing stability, and others, as defined in program
 8 guidelines.

9 (iii) “Permanent supportive housing” means housing with no
 10 limit on length of stay, that is occupied by the target population,
 11 and that is linked to onsite or offsite services that assist residents
 12 in retaining the housing, improving their health status, and
 13 maximizing their ability to live and, when possible, work in the
 14 community. “Permanent supportive housing” includes associated
 15 facilities, if those facilities are used to provide services to housing
 16 residents.

17 ~~(C) For purposes of this paragraph, “public~~

18 (iv) “Public infrastructure” shall include, but is not limited to,
 19 projects that provide any of the following:

20 (i)

21 (I) Water or protect water quality.

22 (ii)

23 (II) Sanitary sewer.

24 (iii)

25 (III) Treatment of wastewater or reduction of pollution from
 26 stormwater runoff.

27 (iv)

28 (IV) Protection of property from impacts of sea level rise.

29 ~~(v) Parks:~~

30 (V) Parks and recreation facilities.

31 ~~(vi)~~

32 (VI) Open space and recreation facilities: space.

33 ~~(vii)~~

34 (VII) Improvements to transit and streets and highways.

35 ~~(viii)~~

36 (VIII) Flood control.

37 ~~(ix)~~

38 (IX) Broadband-Internet internet access service expansion in
 39 underserved areas.

40 ~~(x)~~

1 (X) Local hospital construction.

2 (XI) *Public safety buildings or facilities, equipment related to*
3 *fire suppression, emergency response equipment, or interoperable*
4 *communications equipment for direct and exclusive use by fire,*
5 *emergency response, police or sheriff personnel.*

6 (XII) *Public library facilities.*

7 (v) *“Special district” has the same meaning as provided in*
8 *subdivision (c) of Section 1 of Article XIII C and specifically*
9 *includes a transit district, except that “special district” does not*
10 *include a school district, redevelopment agency, or successor*
11 *agency to a dissolved redevelopment agency.*

12 (C) *This paragraph shall apply to any city, county, city and*
13 *county, or special district measure imposing an ad valorem tax to*
14 *pay the interest and redemption charges on bonded indebtedness*
15 *for those purposes described in this paragraph that is submitted*
16 *at the same election as the measure adding this paragraph.*

17 (c) (1) Notwithstanding any other provisions of law or of this
18 Constitution, a school district, community college district, or
19 county office of education may levy a ~~55 percent~~ 55-percent vote
20 ad valorem tax pursuant to paragraph (3) of subdivision (b).

21 (2) Notwithstanding any other provisions of law or this
22 Constitution, a city, county, ~~or city and county~~ city and county, or
23 special district may levy a ~~55 percent~~ 55-percent vote ad valorem
24 tax pursuant to paragraph (4) of subdivision (b).

25 ~~Second—That Section 4 of Article XIII A thereof is amended~~
26 ~~to read:~~

27 ~~SEC. 4. Except as provided by Section 2.5 of Article XIII C,~~
28 ~~a city, county, or special district, by a two-thirds vote of its voters~~
29 ~~voting on the proposition, may impose a special tax within that~~
30 ~~city, county, or special district, except an ad valorem tax on real~~
31 ~~property or a transactions tax or sales tax on the sale of real~~
32 ~~property within that city, county, or special district.~~

33 ~~Second—That Section 4 of Article XIII A thereof is amended to~~
34 ~~read:~~

35 ~~Section 4.~~

36 ~~SEC. 4. Cities, Counties and special districts, Except as~~
37 ~~provided by Section 2.5 of Article XIII C, a city, county, or special~~
38 ~~district, by a two-thirds vote of the qualified electors of such~~
39 ~~district, its voters voting on the proposition, may impose special~~
40 ~~taxes on such district, a special tax within that city, county, or~~

1 *special district*, except ~~an ad valorem taxes tax~~ on real property
2 or a ~~transaction~~ *transactions* tax or sales tax on the sale of real
3 property within ~~such City, County~~ *that city, county*, or special
4 district.

5 Third—That Section 2 of Article XIII C thereof is amended to
6 read:

7 SEC. 2. Notwithstanding any other provision of this
8 Constitution:

9 (a) Any tax imposed by a local government is either a general
10 tax or a special tax. A special district or agency, including a school
11 district, has no authority to levy a general tax.

12 (b) A local government may not impose, extend, or increase
13 any general tax unless and until that tax is submitted to the
14 electorate and approved by a majority vote. A general tax is not
15 deemed to have been increased if it is imposed at a rate not higher
16 than the maximum rate so approved. The election required by this
17 subdivision shall be consolidated with a regularly scheduled general
18 election for members of the governing body of the local
19 government, except in cases of emergency declared by a unanimous
20 vote of the governing body.

21 (c) Any general tax imposed, extended, or increased, without
22 voter approval, by any local government on or after January 1,
23 1995, and before the effective date of this article, may continue to
24 be imposed only if that general tax is approved by a majority vote
25 of the voters voting in an election on the issue of the imposition,
26 which election shall be held no later than November 6, 1996, and
27 in compliance with subdivision (b).

28 (d) Except as provided by Section 2.5, a local government may
29 not impose, extend, or increase any special tax unless and until
30 that tax is submitted to the electorate and approved by a two-thirds
31 vote. A special tax is not deemed to have been increased if it is
32 imposed at a rate not higher than the maximum rate so approved.

33 Fourth—That Section 2.5 is added to Article XIII C thereof, to
34 read:

35 SEC. 2.5. (a) The imposition, extension, or increase of a sales
36 and use tax imposed in accordance with the Bradley-Burns Uniform
37 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
38 7200) of Division 2 of the Revenue and Taxation Code) or a
39 successor law, a transactions and use tax imposed in accordance
40 with the Transactions and Use Tax Law (Part 1.6 (commencing

1 with Section 7251) of Division 2 of the Revenue and Taxation
2 Code) or a successor law, or a parcel tax imposed by a local
3 government for the purpose of funding the construction,
4 reconstruction, rehabilitation, or replacement of public
5 ~~infrastructure or infrastructure~~, affordable housing, *or permanent*
6 *supportive housing for persons at risk of chronic homelessness,*
7 *including persons with mental illness*, or the acquisition or lease
8 of real property for public ~~infrastructure or infrastructure~~,
9 affordable housing, *or permanent supportive housing for persons*
10 *at risk of chronic homelessness, including persons with mental*
11 *illness*, is subject to approval by 55 percent of the voters in the
12 local government voting on the proposition, if both of the following
13 conditions are met:

14 (1) The proposition is approved by a majority vote of the
15 membership of the governing board of the local government.

16 (2) The proposition contains all of the following accountability
17 requirements:

18 (A) A requirement that the proceeds of the tax only be used for
19 the purposes specified in the proposition, and not for any other
20 purpose, including general employee salaries and other operating
21 expenses of the local government.

22 (B) A list of the specific projects that are to be funded by the
23 tax, and a certification that the local government has evaluated
24 alternative funding sources.

25 (C) A requirement that the local government conduct an annual,
26 independent performance audit to ensure that the proceeds of the
27 special tax have been expended only on the specific projects listed
28 in the proposition.

29 (D) A requirement that the local government conduct an annual,
30 independent financial audit of the proceeds from the tax during
31 the lifetime of that tax.

32 (E) A requirement that the local government post the audits
33 required by subparagraphs (C) and (D) in a manner that is easily
34 accessible to the public.

35 (F) A requirement that the local government appoint a citizens'
36 oversight committee to ensure the proceeds of the special tax are
37 expended only for the purposes described in the measure approved
38 by the voters.

39 (b) For purposes of this section, the following terms have the
40 following meanings:

1 (1) “Affordable housing” shall include housing developments,
2 or portions of housing developments, that provide workforce
3 housing affordable to households earning up to 150 percent of
4 countywide median income, and housing developments, or portions
5 of housing developments, that provide housing affordable to lower,
6 low-, or very low income households, as those terms are defined
7 in state law.

8 (2) *“At risk of chronic homelessness” includes, but is not limited*
9 *to, persons who are at high risk of long-term or intermittent*
10 *homelessness, including persons with mental illness exiting*
11 *institutionalized settings, including, but not limited to, jail and*
12 *mental health facilities, who were homeless prior to admission,*
13 *transition age youth experiencing homelessness or with significant*
14 *barriers to housing stability, and others, as defined in program*
15 *guidelines.*

16 ~~(2)~~

17 (3) “Parcel tax” means a special tax imposed upon a parcel of
18 real property at a rate that is determined without regard to that
19 property’s value and that applies uniformly to all taxpayers or all
20 real property within the jurisdiction of the local government.
21 “Parcel tax” does not include a tax imposed on a particular class
22 of property or taxpayers.

23 (4) *“Permanent supportive housing” means housing with no*
24 *limit on length of stay, that is occupied by the target population,*
25 *and that is linked to onsite or offsite services that assist residents*
26 *in retaining the housing, improving their health status, and*
27 *maximizing their ability to live and, when possible, work in the*
28 *community. “Permanent supportive housing” includes associated*
29 *facilities, if those facilities are used to provide services to housing*
30 *residents.*

31 ~~(3)~~

32 (5) “Public infrastructure” shall include, but is not limited to,
33 the projects that provide any of the following:

34 (A) Water or protect water quality.

35 (B) Sanitary sewer.

36 (C) Treatment of wastewater or reduction of pollution from
37 stormwater runoff.

38 (D) Protection of property from impacts of sea level rise.

39 ~~(E) Parks.~~

40 (E) *Parks and recreation facilities.*

1 (F) ~~Open-space and recreation facilities.~~ *space.*

2 (G) Improvements to transit and streets and highways.

3 (H) Flood control.

4 (I) ~~Broadband-Internet~~ *internet* access service expansion in
5 underserved areas.

6 (J) Local hospital construction.

7 (K) *Public safety buildings or facilities, equipment related to*
8 *fire suppression, emergency response equipment, or interoperable*
9 *communications equipment for direct and exclusive use by fire,*
10 *emergency response, police or sheriff personnel.*

11 (L) *Public library facilities.*

12 (c) *This section shall apply to any local measure imposing,*
13 *extending, or increasing a sales and use tax imposed pursuant to*
14 *the Bradley-Burns Uniform Local Sales and Use Tax Law, a*
15 *transactions and use tax imposed in accordance with the*
16 *Transactions and Use Tax Law, or a parcel tax imposed by a local*
17 *government for those purposes described in subdivision (a) that*
18 *is submitted at the same election as the measure adding this*
19 *section.*

20 Fifth—That Section 3 of Article XIII D thereof is amended to
21 read:

22 SEC. 3. (a) An agency shall not assess a tax, assessment, fee,
23 or charge upon any parcel of property or upon any person as an
24 incident of property ownership except:

25 (1) The ad valorem property tax imposed pursuant to Article
26 XIII and Article XIII A.

27 (2) Any special tax receiving a two-thirds vote pursuant to
28 Section 4 of Article XIII A or *receiving a 55-percent approval*
29 *pursuant to* Section 2.5 of Article XIII C.

30 (3) Assessments as provided by this article.

31 (4) Fees or charges for property-related services as provided by
32 this article.

33 (b) For purposes of this article, fees for the provision of electrical
34 or gas service are not deemed charges or fees imposed as an
35 incident of property ownership.

36 Sixth—That Section 18 of Article XVI thereof is amended to
37 read:

38 SEC. 18. (a) A county, city, town, township, board of
39 education, or school district, shall not incur any indebtedness or
40 liability in any manner or for any purpose exceeding in any year

1 the income and revenue provided for that year, without the assent
2 of two-thirds of the voters of the public entity voting at an election
3 to be held for that purpose, except that with respect to any such
4 public entity ~~which~~ *that* is authorized to incur indebtedness for
5 public school purposes, any proposition for the incurrence of
6 indebtedness in the form of general obligation bonds for the
7 purpose of repairing, ~~reconstructing~~ *reconstructing*, or replacing
8 public school buildings determined, in the manner prescribed by
9 law, to be structurally unsafe for school use, shall be adopted upon
10 the approval of a majority of the voters of the public entity voting
11 on the proposition at ~~such~~ *the* election; nor unless before or at the
12 time of incurring such indebtedness provision shall be made for
13 the collection of an annual tax sufficient to pay the interest on such
14 indebtedness as it falls due, and to provide for a sinking fund for
15 the payment of the principal thereof, on or before maturity, which
16 shall not exceed forty years from the time of contracting the
17 indebtedness. *A special district, other than a board of education
18 or school district, shall not incur any indebtedness or liability
19 exceeding any applicable statutory limit, as prescribed by the
20 statutes governing the special district as they currently read or
21 may thereafter be amended by the Legislature.*

22 (b) (1) Notwithstanding subdivision (a), any proposition for
23 the incurrence of indebtedness in the form of general obligation
24 bonds for the purposes described in paragraph (3) or (4) of
25 subdivision (b) of Section 1 of Article XIII A shall be adopted
26 upon the approval of 55 percent of the voters of the school district,
27 community college district, county office of education, city, county,
28 ~~or city and county,~~ *city and county, or other special district,* as
29 appropriate, voting on the proposition at an election. This
30 subdivision shall apply to a proposition for the incurrence of
31 indebtedness in the form of general obligation bonds for the
32 purposes specified in this subdivision only if the proposition meets
33 all of the accountability requirements of paragraph (3) or (4) of
34 subdivision (b), as appropriate, of Section 1 of Article XIII A.

35 (2) *The amendments made to this subdivision by the measure
36 adding this paragraph shall apply to any proposition for the
37 incurrence of indebtedness in the form of general obligation bonds
38 pursuant to this subdivision for the purposes described in
39 paragraph (4) of subdivision (b) of Section 1 of Article XIII A that*

1 *is submitted at the same election as the measure adding this*
2 *paragraph.*

3 (c) When two or more propositions for incurring any
4 indebtedness or liability are submitted at the same election, the
5 votes cast for and against each proposition shall be counted
6 separately, and if two-thirds or a majority or 55 percent of the
7 voters, as the case may be, voting on any one of those propositions,
8 vote in favor thereof, the proposition shall be deemed adopted.

9

10

11 **REVISIONS:**

12 **Heading—Line 5.**

13

O

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SUSAN BRANSEN, Executive Director



CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
SACRAMENTO, CA 94273-0001
(916) 654-4245
FAX (916) 653-2134
<http://www.catc.ca.gov>

June 26, 2019

The Honorable Laura Friedman
Member of the Assembly
State Capitol, Room 2137
Sacramento, CA 95814

Re: Support for Assembly Bill 285

Dear Assembly Member Friedman:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve California's transportation system.

The Commission adopted a position to support in concept Assembly Bill (AB) 285 at its June 26, 2019 meeting. This bill would require the California Department of Transportation (Department) to include a forecast of the impacts of advanced and emerging technologies on transportation systems as part of the California Transportation Plan (CTP), beginning with the third update to the CTP in 2025. The bill also would require the Department to submit an interim report in 2022 that reviews progress in implementing past CTPs, assesses how the implementation of specified regional plans would impact the state's transportation system, and identifies opportunities to improve the coordination of specified transportation funding programs. In addition, the bill would update requirements for the CTP to reflect the state's recent adoption of new greenhouse gas emissions reduction targets and add environmental justice to the subject areas that the plan is required to consider for the movement of people and freight.

Assembly Member Friedman
RE: Support for AB 285
June 26, 2019
Page 2

In its 2018 Annual Report to the Legislature, the Commission noted that emerging technologies involving shared, autonomous, connected, and electric transportation options have far-reaching implications for transportation policy and infrastructure. Given the potentially significant impact that such technologies will have on California's future transportation system, the Commission recommended the Legislature require that the California Transportation Plan include a forecast of the impacts of advanced transportation technologies, as would be required under AB 285. The Commission also supports in concept other requirements in AB 285, such as assessing the coordination among transportation grant programs. The Commission encourages you to consider whether another state entity besides or in conjunction with Caltrans might perform some of the activities required as part of the interim report.

The Commission commends your leadership in ensuring that the state's forward-looking plans include the effects of emerging technologies that can impact the interoperability, structure, and funding of the statewide transportation system. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency

AMENDED IN SENATE JUNE 3, 2019
AMENDED IN ASSEMBLY MARCH 6, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 285

Introduced by Assembly Member Friedman

January 28, 2019

An act to amend Sections 14000.6, 65071, 65072.1, and 65072.2 of the Government Code, relating to transportation planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as amended, Friedman. California Transportation Plan.

Existing law requires the Department of Transportation to prepare the California Transportation Plan for submission to the Governor and the Legislature, to complete the first update to the plan by December 31, 2015, and to update the plan every 5 years thereafter. Existing law requires the plan to consider various subject areas for the movement of people and freight, including environmental protection and quality of life. Existing law also requires the plan to address how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions to 1990 levels by 2020 and 80% below 1990 levels by 2050, and to identify the statewide integrated multimodal transportation system needed to achieve greenhouse gas emission reductions.

This bill would require the department to address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions of 40% below 1990 levels by the end of 2030 and attain ~~the~~ *all state ambient air quality goals standards and national*

ambient air quality standards in all areas of the state as described in California's state implementation plans required by the federal Clean Air Act. Commencing with the 3rd update to the plan to be completed by December 31, 2025, the bill would require the department to include specified information in the plan, including, among other things, a review of the potential impacts and opportunities for coordination of specified grant programs and recommendations for the improvement of the grant programs to better align them to meet long-term common goals. The bill would require that review to be conducted in consultation with the agencies that administer those grant programs. a forecast of the impacts of advanced and emerging technologies over a 20-year horizon on infrastructure, access, and transportation systems and a review of the progress made implementing past California Transportation Plans. The bill would require the department to complete an interim report by January 31, 2022, that contains ~~the new information required to be included in the 3rd and subsequent updates to the plan.~~ *specified information, including, among other things, a review of the potential impacts and opportunities for coordination of specified grant programs and recommendations for the improvement of the grant programs to better align them to meet long-term common goals. The bill would require that review to be conducted in consultation with the agencies that administer those grant programs.* The bill would add environmental justice to the subject areas that the plan is required to consider for the movement of people and freight.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14000.6 of the Government Code is
2 amended to read:
3 14000.6. The Legislature further finds and declares all of the
4 following:
5 (a) California has established a statewide greenhouse gas
6 emissions limit to be achieved by 2020 pursuant to the California
7 Global Warming Solutions Act of 2006 (Division 25.5
8 (commencing with Section 38500) of the Health and Safety Code),
9 which is equivalent to 1990 greenhouse gas emissions in the state.
10 Senate Bill 32 (Chapter 249 of the Statutes of 2016) extended the

1 statewide greenhouse gas emissions limit to 40 percent below 1990
2 levels by 2030.

3 (b) Emissions from the transportation sector account for 39
4 percent of California’s greenhouse gas emissions.

5 (c) In June 2016, the state released its transportation plan called
6 California Transportation Plan 2040, which represented an
7 important step toward integrating statewide long-range modal
8 plans, key programs, and analysis tools that build on regional
9 transportation plans, sustainable communities strategies, and rural
10 land use visions. Yet more must be done to meet objectives of
11 mobility and congestion management consistent with the state’s
12 greenhouse gas emission limit and air pollution standards.

13 (d) The Legislature intends that subsequent transportation plans
14 improve transparency, interagency coordination, and the impact
15 of California’s transportation investments and planning to meet
16 the objectives set forth in this section.

17 SEC. 2. Section 65071 of the Government Code is amended
18 to read:

19 65071. The department shall update the California
20 Transportation Plan every five years consistent with this chapter.
21 The second update shall be completed by December 31, 2020.

22 SEC. 3. Section 65072.1 of the Government Code is amended
23 to read:

24 65072.1. The California Transportation Plan shall consider all
25 of the following subject areas for the movement of people and
26 freight:

- 27 (a) Mobility and accessibility.
- 28 (b) Integration and connectivity.
- 29 (c) Efficient system management and operation.
- 30 (d) Existing system preservation.
- 31 (e) Safety and security.
- 32 (f) Economic development, including productivity and
33 efficiency.
- 34 (g) Environmental protection and quality of life.
- 35 (h) Environmental justice.

36 SEC. 4. Section 65072.2 of the Government Code is amended
37 to read:

38 65072.2. (a) The department shall address in the California
39 Transportation Plan how the state will achieve maximum feasible
40 emissions reductions in order to attain a statewide reduction of

1 greenhouse gas emissions to 1990 levels by 2020 and 40 percent
2 below 1990 levels by December 31, 2030, as required by the
3 California Global Warming Solutions Act of 2006 (Division 25.5
4 (commencing with Section 38500) of the Health and Safety Code),
5 and attain ~~the all state ambient air quality goals standards and~~
6 ~~national ambient air quality standards in all areas of the state, as~~
7 described in California's state implementation plans required by
8 the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), taking into
9 consideration the use of alternative fuels, new vehicle technology,
10 tailpipe emissions reductions, and expansion of public transit,
11 commuter rail, intercity rail, bicycling, and walking. The plan shall
12 identify the statewide integrated multimodal transportation system
13 needed to achieve these results.

14 (b) Commencing with the third update to the California
15 Transportation Plan, the department shall include the following
16 information in the plan:

17 ~~(1) An overview of all sustainable communities strategies and~~
18 ~~alternative planning strategies prepared pursuant to paragraph (2)~~
19 ~~of subdivision (b) of Section 65080, and an assessment of how~~
20 ~~implementation of the sustainable communities strategies and~~
21 ~~alternative planning strategies will influence the configuration of~~
22 ~~the statewide integrated multimodal transportation system.~~

23 ~~(2) A review of the potential impacts and opportunities for~~
24 ~~coordination of the following grant programs: the Affordable~~
25 ~~Housing and Sustainable Communities Program, the Transit and~~
26 ~~Intercity Rail Capital Program, the Low Carbon Transit Operators~~
27 ~~Program, the Transformative Climate Communities Program, and~~
28 ~~the Sustainable Transportation Planning Grant Program. The review~~
29 ~~shall be conducted in consultation with the agencies that administer~~
30 ~~these grant programs. The review shall include recommendations~~
31 ~~for the improvement of these grant programs or other relevant~~
32 ~~transportation funding programs to better align the programs to~~
33 ~~meet long-term common goals.~~

34 ~~(3)~~

35 (1) A forecast of the impacts of advanced and emerging
36 technologies over a 20-year horizon on infrastructure, access, and
37 transportation systems. For purposes of this paragraph, "advanced
38 and emerging technologies" includes, but is not limited to, shared,
39 autonomous, connected, and electric transportation options.

40 (4)

1 (2) A review of the progress made implementing past California
2 Transportation Plans including, but not limited to, a review of
3 actions taken by each of the department’s districts to achieve the
4 goals and policies outlined in the plan.

5 (c) The department shall complete an interim report by January
6 31, 2022, ~~that contains the information described in paragraphs~~
7 ~~(1), (2), and (3) of subdivision (b)~~ and shall submit this report to
8 the relevant policy and fiscal committees of the Legislature. *The*
9 *interim report shall contain all of the following:*

10 (1) *The information described in paragraph (2) of subdivision*
11 *(b).*

12 (2) *An overview of all sustainable communities strategies and*
13 *alternative planning strategies prepared pursuant to paragraph*
14 *(2) of subdivision (b) of Section 65080, and an assessment of how*
15 *implementation of the sustainable communities strategies and*
16 *alternative planning strategies will influence the configuration of*
17 *the statewide integrated multimodal transportation system.*

18 (3) *A review of the potential impacts and opportunities for*
19 *coordination of the following grant programs: the Affordable*
20 *Housing and Sustainable Communities Program, the Transit and*
21 *Intercity Rail Capital Program, the Low Carbon Transit Operators*
22 *Program, the Transformative Climate Communities Program, and*
23 *the Sustainable Transportation Planning Grant Program. The*
24 *review shall be conducted in consultation with the agencies that*
25 *administer these grant programs. The review shall include*
26 *recommendations for the improvement of these grant programs*
27 *or other relevant transportation funding programs to better align*
28 *the programs to meet long-term common goals.*

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CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
SACRAMENTO, CA 94273-0001
(916) 654-4245
FAX (916) 653-2134
<http://www.catc.ca.gov>

June 26, 2019

The Honorable Rudy Salas
Member of the Assembly
State Capitol, Room 4016
Sacramento, CA 95814

Re: Support for Assembly Bill 970

Dear Assembly Member Salas:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve California's transportation system.

The Commission adopted a position to support Assembly Bill (AB) 970 at its June 26, 2019 meeting. This bill would require the California Department of Aging, in coordination with the California Air Resources Board and the California Department of Health Care Services, to administer a grant program for specified local and regional agencies to fund transportation to and from nonemergency medical services for older individuals and persons with disabilities. The bill would require such transportation services to be provided through the purchase, lease, operation or maintenance of zero-emission vehicles or near-zero emission vehicles. The program would be funded from the Greenhouse Gas Reduction Fund, upon an appropriation by the Legislature.

The Commission believes it is important for the state to address the transportation needs of older and disabled individuals who often lack access to safe, reliable, and affordable transportation options. Providing transportation services for these individuals to reach their medical appointments is especially critical for their well-being as well as public health in California. The Commission

Assembly Member Salas
RE: Support for AB 970
June 26, 2019
Page 2

also supports utilizing zero-emission or near-zero emission vehicles as a method to improve air quality and reduce greenhouse gas emissions.

The Commission commends your leadership in finding new ways to ensure access to transportation for underserved communities while advancing the State's environmental goals. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency

AMENDED IN ASSEMBLY APRIL 12, 2019

AMENDED IN ASSEMBLY MARCH 20, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 970

Introduced by Assembly Member Salas

February 21, 2019

An act to add Chapter 8.5 (commencing with Section 9580) to Division 8.5 of the Welfare and Institutions Code, relating to aging.

LEGISLATIVE COUNSEL'S DIGEST

AB 970, as amended, Salas. California Department of Aging: grants: transportation.

Existing law, the California Global Warming Solutions Act of 2006, designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available for appropriation.

Existing law establishes the Air Quality Improvement Program, which is administered by the state board for the purpose of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Existing law requires that moneys in the Air Quality Improvement Fund, upon appropriation by the Legislature, be expended by the state board in accordance with the program.

Existing law requires the California Department of Aging to designate various private nonprofit or public agencies as area agencies on aging to work for the interests of older Californians within a planning and service area and provide a broad array of social and nutritional services. Existing law states that the mission of the department is to provide leadership to the area agencies on aging in developing systems of home- and community-based services that maintain individuals in their own homes or the least restrictive homelike environments. Existing law establishes certain wellness, injury prevention, and other programs within the department to serve both older individuals and persons with a disability, as defined.

This bill would require the department to administer a grant program to receive applications from *eligible applicants, including, but not limited to*, area agencies on aging *and public transit operators*, to fund transportation to and from nonemergency medical services for older individuals and persons with a ~~disability who reside in rural, desert, or mountain areas within a planning and service area~~, *disability*, for the purpose of reducing greenhouse gas emissions. The bill would require that transportation be made available using the purchase, lease, *operation*, or maintenance of zero-emission or near-zero-emission vehicles with a capacity for 7, 12, or 15 passengers.

The bill would authorize the allocation of moneys from the Greenhouse Gas Reduction Fund ~~and the Air Quality Improvement Fund~~, upon appropriation by the Legislature, to fund the grant program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 8.5 (commencing with Section 9580) is
2 added to Division 8.5 of the Welfare and Institutions Code, to read:
3
4 CHAPTER 8.5. TRANSPORTATION FOR MEDICAL SERVICES
5
6 9580. ~~(a) The department~~
7 9580. (a) *For purposes of this section, “near-zero-emission*
8 *vehicle” and “zero-emission vehicle” have the same meanings as*
9 *those terms are defined in Section 44258 of the Health and Safety*
10 *Code.*

1 (b) *The department shall administer a grant program to fund*
2 *transportation to and from nonemergency medical services for*
3 *older individuals, as defined in Section 9018, and persons with a*
4 *disability, as defined in Section 9653, pursuant to this department,*
5 *in coordination with the State Air Resources Board and the State*
6 *Department of Health Care Services, section for the purpose of*
7 *reducing greenhouse gas emissions.*

8 ~~(b) Area agencies on aging may apply for grants from the~~
9 ~~department pursuant to this section. An area agency on aging that~~
10 ~~has been awarded a grant shall use the funds to provide~~
11 ~~transportation as described in subdivision (e).~~

12 (c) *Eligible applicants who may apply for grants from the*
13 *department pursuant to this section shall include, but not be limited*
14 *to, all of the following:*

15 (1) *Local or regional transportation agencies that provide*
16 *transportation services to seniors and persons with disabilities.*

17 (2) *Area agencies on aging.*

18 (3) *Counties.*

19 (4) *Public transit operators.*

20 (d) *An applicant that has been awarded a grant shall use the*
21 *funds to provide transportation services as described in subdivision*
22 *(e).*

23 ~~(e)~~

24 (e) (1) *Eligible transportation includes transportation to and*
25 *from nonemergency medical services for older individuals and*
26 *persons with a disability, as described in subdivision (a), who*
27 *reside in rural, desert, or mountain areas within a planning and*
28 *service area. (b).*

29 (2) *Eligible transportation shall be made available using the*
30 *purchase, lease, operation, or maintenance of zero-emission or*
31 *near-zero-emission vehicles with a capacity for 7, 12, or 15*
32 *passengers.*

33 ~~(d)~~

34 (f) (1) *The department may use moneys allocated to the grant*
35 *program pursuant to Section 9581 to cover reasonable*
36 *administrative costs incurred by the department under this section.*

37 (2) ~~An area agency on aging applicant that has been awarded~~
38 ~~a grant may use grant moneys to cover reasonable administrative~~
39 ~~costs incurred by the area agency on aging applicant under this~~
40 ~~section.~~

1 9581. Moneys from the Greenhouse Gas Reduction Fund,
2 created pursuant to Section 16428.8 of the Government Code, and
3 the Air Quality Improvement Fund, created pursuant to Section
4 44274.5 of the Health and Safety Code, *Code* may be allocated,
5 upon appropriation by the Legislature, to fund the grant program
6 described in Section 9580.

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FRAN INMAN, Chair
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1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
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FAX (916) 653-2134
<http://www.catc.ca.gov>

June 26, 2019

The Honorable Jim Beall
Member of the Senate
State Capitol, Room 2082
Sacramento, CA 95814

Re: Support for Senate Joint Resolution 5

Dear Senator Beall:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve California's transportation system.

The Commission adopted a position to support Senate Joint Resolution 5 at its June 26, 2019 meeting. This measure would urge Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously to ensure critical transportation projects can be delivered without delay, (2) work together to enact federal infrastructure legislation, and (3) address the shortfall in the federal Highway Trust Fund.

The Commission has long recognized the need for the federal government to be a strong partner in providing stable, ongoing, timely funding for transportation. For example, in its 2018 Annual Report, the Commission recommended the Legislature alert Congress of the need to reimburse California for its backlog of federal highway emergency expenditures. Such support from the federal government is critical for the mobility of the state's residents as well as the state's continued economic prosperity.

Senator Beall
RE: Support for SJR 5
June 26, 2019
Page 2

The Commission commends your leadership in calling on our national leaders to pass federal legislation to address California's transportation needs. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency

AMENDED IN SENATE MARCH 13, 2019

Senate Joint Resolution

No. 5

Introduced by Senator Beall

(Coauthors: Senators Archuleta, Bradford, Caballero, Dodd, Durazo, Galgiani, Hertzberg, Hueso, Jackson, McGuire, Mitchell, Roth, Umberg, Wieckowski, and Wiener)

(Coauthors: Assembly Members Aguiar-Curry, Chu, Frazier, Grayson, and O'Donnell)

March 7, 2019

Senate Joint Resolution No. 5—Relative to California transportation infrastructure.

LEGISLATIVE COUNSEL'S DIGEST

SJR 5, as amended, Beall. California transportation infrastructure.

This measure would urge the Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously and without delay, (2) work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California's and other states' crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation, most particularly, by expanding paratransit services for the elderly and those with special needs, and (3) address the shortfall in the federal Highway Trust Fund by restoring the lost purchasing power of the federal fuel tax, in order to provide the long-term funding stability necessary for California and other states.

Fiscal committee: no.

- 1 WHEREAS, California's transportation infrastructure is aging
- 2 and in serious need of repair, with more than 44 percent of major

1 roads and highways considered in poor condition and another 25
2 percent rated mediocre; and

3 WHEREAS, This problem is even more acute in urban areas,
4 where more than 53 percent of major roads and highways are in
5 poor condition and 25 percent are rated mediocre; and

6 WHEREAS, California motorists spend in excess of \$22 billion
7 annually in additional operating costs, more than \$843 per driver,
8 as a result of driving on poorly maintained roads; and

9 WHEREAS, Increasing levels of traffic congestion are clogging
10 urban freeways, impacting commutes and commerce, and costing
11 Californians an estimated \$29 billion annually in wasted time and
12 fuel; and

13 WHEREAS, With California's population expected to grow to
14 48 million by 2040, substantial new investment in public
15 transportation will be needed to improve mobility, reduce gridlock,
16 and meet critical greenhouse gas reduction targets, yet the state's
17 transit agencies collectively face billions of dollars annually in
18 capital and operating shortfalls; and

19 WHEREAS, These transit agencies face particularly acute
20 regulatory challenges and funding shortfalls in providing vital
21 paratransit services to the elderly, persons with disabilities, and
22 others with special needs; and

23 WHEREAS, Freight transportation is critical to the economic
24 vitality of the United States and robust investment in safe and
25 efficient transportation facilities and infrastructure is essential to
26 promoting strong economic growth in California and throughout
27 the nation; and

28 WHEREAS, California serves as the nation's gateway to
29 international trade as the entry point for nearly one-fifth of the
30 country's imports, by far the largest share of any state, with the
31 state's vast network of land and seaports, truck routes, and rail
32 lines transporting more than \$2.8 trillion in goods annually; and

33 WHEREAS, California's freight system is responsible for the
34 creation of 800,000 freight ~~jobs~~, *jobs* and stimulates creation of
35 millions of other jobs throughout the economy; and

36 WHEREAS, The California Legislature, having risen to meet
37 this crisis by enacting the Road Repair and Accountability Act of
38 2017 (Chapter 5 of the Statutes of 2017) to add more than \$5 billion
39 annually in new transportation investment, depends on the federal
40 government to provide its share of the resources needed to restore

1 and enhance California’s highway, transit, and active transportation
2 infrastructure for the generations to come; and

3 WHEREAS, For the past 25 years, the Congress of the United
4 States has failed to take action to preserve or restore the purchasing
5 power of the federal fuel tax or provide any alternate solution
6 adequate to ensure sustained federal investment in the nation’s
7 transportation system; now, therefore, be it

8 *Resolved by the Senate and the Assembly of the State of*
9 *California, jointly,* That the Legislature urges the Congress and
10 the President of the United States to provide all federal resources
11 promised to California and other states, including the \$2.6 billion
12 in transit Capital Investment Program grant funds appropriated in
13 2018, expeditiously and without delay, to ensure that critical
14 transportation projects vital to economic growth and public safety
15 can be delivered without delay; and be it further

16 *Resolved,* That the Legislature urges Congress and the President
17 to work together to enact the robust bipartisan federal infrastructure
18 legislation necessary to restore California’s and other states’
19 crumbling road and freight infrastructure, respond to growing
20 traffic congestion, and increase investment in public transportation,
21 most particularly, by expanding paratransit services for the elderly
22 and those with special needs; and be it further

23 *Resolved,* That the Legislature urges Congress and the President
24 to address the shortfall in the federal Highway Trust Fund by
25 restoring the lost purchasing power of the federal fuel tax in order
26 to provide the long-term funding stability necessary for California
27 and other states to rebuild infrastructure, invest in people through
28 good, well-paying jobs, and strengthen the state’s and the nation’s
29 economy; and be it further

30 *Resolved,* That the Secretary of the Senate transmit copies of
31 this resolution to the President and Vice President of the United
32 States, to the Speaker of the House of Representatives, to the
33 Majority Leader of the Senate, and to each Senator and
34 Representative from California in the Congress of the United
35 States.

FRAN INMAN, Chair
PAUL VAN KONYNENBURG, Vice Chair
BOB ALVARADO
YVONNE B. BURKE
LUCETTA DUNN
JAMES C. GHIELMETTI
CARL GUARDINO
CHRISTINE KEHOE
JOSEPH TAVAGLIONE

STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

SENATOR JIM BEALL, Ex Officio
ASSEMBLY MEMBER JIM FRAZIER, Ex Officio

SUSAN BRANSEN, Executive Director



CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
P. O. BOX 942873
SACRAMENTO, CA 94273-0001
(916) 654-4245
FAX (916) 653-2134
<http://www.catc.ca.gov>

June 26, 2019

The Honorable Jim Beall
Member of the Senate
State Capitol, Room 2082
Sacramento, CA 95814

Re: Comments on Senate Bill 277

Dear Senator Beall:

On June 26, 2019, the California Transportation Commission (Commission) considered Senate Bill (SB) 277 and approved comments to share with you for your consideration. This bill would require that the Commission apportion 100 percent of Local Partnership Program funds on a formula basis; establish specified program guidelines on or before April 1, 2020; require eligible entities to submit certain project information to the Commission; and modify the definition of eligible entities to conform with the definition set forth in the Proposition 1B State-Local Partnership Program.

The Commission appreciates the trust the Legislature has placed in it under SB 1 to ensure that funds are appropriately and efficiently spent and accounted for. The Commission also appreciates its statutory role to advise and assist the Legislature in formulating and evaluating state policies and plans for state transportation programs. The comments in this letter are provided to fulfill these statutory responsibilities.

To ensure that the Legislative intent is met under SB 277, it is important that the formulaic distribution methodology is identified. For example, the Proposition 1B State-Local Partnership Program statute set forth a specific distribution formula, thereby eliminating ambiguity regarding legislative intent. Additionally, by not specifying a formula, the bill raises the question whether the

Senator Beall
RE: Comments on SB 277
June 26, 2019
Page 2

program could continue to offer incentive funding for new or renewed sales tax measures, tolls, or fees. Moreover, specifying a formula that ensures smaller agencies receive sufficient funding for critical projects is important.

While the process set forth in the bill requires apportionments that appear to model the SB 1 Local Streets and Roads Program (LSRP) apportionment process, additional clarification is necessary with respect to accountability. For example, unlike the LSRP legislative language, it is unclear whether funds are intended to be provided upfront to eligible entities or on a reimbursement basis and whether the Commission is required to approve lists of projects in lieu of project allocations.

The Commission also believes it is important to ensure that funds are utilized in a timely manner and not withheld from eligible recipients with important projects ready to proceed. While the Proposition 1B State-Local Partnership Program was a successful program and funded critical projects, a substantial portion of funding was not dedicated to projects until the last year of the five-year program. Specifically, despite \$186 million per year available in formula funding, recipients dedicated only \$109 million on average annually to projects in the first four years of the program. This meant that over \$300 million, available in earlier years, was not programmed to projects until the last year of the five-year program. Therefore, the Commission encourages legislative language that increases accountability and safeguards to provide assurance that funds are efficiently utilized and do not remain uncommitted.

The Commission hopes that you find the above comments helpful as you work on this legislation. If you would like to discuss these comments or any other aspects of the legislation, please contact the Commission's Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
The Honorable Jim Frazier, Assembly Transportation Committee, Chair
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency

AMENDED IN ASSEMBLY JUNE 4, 2019

AMENDED IN SENATE MARCH 18, 2019

SENATE BILL

No. 277

Introduced by Senator Beall

(Principal coauthor: Assembly Member Frazier)

February 13, 2019

An act to amend Section ~~2033~~ of 2032 of, to amend and repeal Section 2033 of, and to add Section 2033.1 to, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 277, as amended, Beall. Road Maintenance and Rehabilitation Program: guidelines. Program: Local Partnership Program.

Under existing law, the California Transportation Commission allocates various state and federal transportation funds through specified state programs to local and regional transportation agencies to implement projects consistent with the requirements of those programs. ~~The Road Repair and Accountability Act of 2017~~ Existing law continuously appropriates \$200,000,000 annually from the Road Maintenance and Rehabilitation Account for allocation by the commission for a program commonly known as the Local Partnership Program to local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely to transportation improvements. ~~for road maintenance and rehabilitation and other transportation improvement projects.~~ Existing law requires the commission, in cooperation with the Department of Transportation, transportation planning agencies, county transportation commissions, and other local agencies, to develop guidelines for the allocation of those moneys, and authorizes the

commission to amend the adopted guidelines after conducting at least one public hearing. *moneys.*

This bill would require the commission, in cooperation with those same entities, to biennially update the guidelines with final approval of the update occurring on or before January 1 of each even-numbered year. The bill would require the commission to publicly release a draft of the proposed update at least 6 months before the January 1 final approval deadline, to provide for a 90-day public comment period on the draft, and to conduct at least 2 public hearings about the draft. In order to amend the guidelines, the bill would require the commission to publicly release a draft of the proposed amendment at least 3 months before the amendment is adopted, to provide for a 90-day public comment period on the amendment, and to conduct an additional public hearing. *commission to apportion these funds on a formula basis to those of the local and regional transportation agencies described above that also have responsibility for funding, procuring, and constructing transportation improvements within their jurisdictions. The bill would require the commission, in conjunction with transportation planning agencies and county transportation commissions, and in consultation with other local agencies, to develop guidelines for the apportionment of these funds that, among other things, establish an apportionment formula, identify guaranteed minimum apportionments, and establish the types of eligible projects consistent with specified requirements. In order to receive an apportionment of funds from the commission in a funding cycle, the bill would require an eligible entity to submit to the commission a list of projects proposed to be funded with the funds. The bill would require the commission to approve a project list submitted by a local or regional transportation agency unless a project identified in the project list is not consistent with the project eligibility guidelines.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2032 of the Streets and Highways Code
2 is amended to read:
3 2032. (a) (1) After deducting the amounts appropriated in the
4 annual Budget Act, as provided in Section 2031.5, two hundred
5 million dollars (\$200,000,000) of the remaining revenues deposited
6 in the Road Maintenance and Rehabilitation Account shall be set

1 aside annually for local or regional transportation agencies that
2 have sought and received voter approval of taxes or that have
3 imposed fees, including uniform developer fees as defined by
4 subdivision (b) of Section 8879.67 of the Government Code, which
5 taxes or fees are dedicated solely to transportation improvements.
6 *eligible entities*. The Controller shall each month set aside
7 one-twelfth of this amount, except in fiscal year 2017–18, the
8 Controller shall set aside one-eighth of this amount, to accumulate
9 a total of two hundred million dollars (\$200,000,000) in each fiscal
10 year. The Controller may adjust the amount in the final month or
11 months of each fiscal year if necessary to achieve the annual
12 amount specified in this subdivision.

13 (2) Eligible projects under this subdivision include, but not are
14 limited to, sound walls for a freeway that was built before 1987
15 without sound walls and with or without high-occupancy vehicle
16 lanes if the completion of the sound walls has been deferred due
17 to lack of available funding for at least 20 years and a noise barrier
18 scope summary report has been completed within the last 20 years.

19 (3) Notwithstanding Section 13340 of the Government Code,
20 the funds available under this subdivision in each fiscal year are
21 hereby continuously appropriated for ~~allocation~~ *apportionment on*
22 *a formula basis to eligible entities* by the commission for road
23 maintenance and rehabilitation and other transportation
24 improvement projects pursuant to Section ~~2033. 2033 or 2033.1,~~
25 *as applicable.*

26 (4) *For purposes of this subdivision, an “eligible entity” means*
27 *a local or regional transportation agency that has responsibility*
28 *for funding, procuring, or constructing transportation*
29 *improvements within its jurisdiction, and that does either of the*
30 *following:*

31 (A) *Has sought and received voter approval for the imposition*
32 *of taxes or fees dedicated solely to transportation improvements*
33 *and administers those taxes or fees.*

34 (B) *Has imposed uniform developer fees, as defined by*
35 *subdivision (b) of Section 8879.67 of the Government Code.*

36 (b) After deducting the amounts appropriated in the annual
37 Budget Act pursuant to Section 2031.5 and the amount allocated
38 in subdivision (a), beginning in the 2017–18 fiscal year, one
39 hundred million dollars (\$100,000,000) of the remaining revenues
40 shall be available annually for expenditure, upon appropriation by

1 the Legislature, on the Active Transportation Program created
2 pursuant to Chapter 8 (commencing with Section 2380) of Division
3 3 to be allocated by the California Transportation Commission
4 pursuant to Section 2381. The Controller shall each month set
5 aside one-twelfth of this amount, except in the 2017–18 fiscal year,
6 when the Controller shall set aside one-eighth of this amount, to
7 accumulate a total of one hundred million dollars (\$100,000,000)
8 in each fiscal year. The Controller may adjust the amount in the
9 final month or months of each fiscal year if necessary to achieve
10 the annual amount specified in this subdivision.

11 (c) After deducting the amounts appropriated in the annual
12 Budget Act pursuant to Section 2031.5 and the amounts allocated
13 in subdivisions (a) and (b), beginning in the 2017–18 fiscal year,
14 four hundred million dollars (\$400,000,000) of the remaining
15 revenues shall be available annually for expenditure, upon
16 appropriation by the Legislature, by the department for bridge and
17 culvert maintenance and rehabilitation. The Controller shall each
18 month set aside one-twelfth of this amount, except in the 2017–18
19 fiscal year, when the Controller shall set aside one-eighth of this
20 amount, to accumulate a total of four hundred million dollars
21 (\$400,000,000) in each fiscal year. The Controller may adjust the
22 amount in the final month or months of each fiscal year if necessary
23 to achieve the annual amount specified in this subdivision.

24 (d) After deducting the amounts appropriated in the annual
25 Budget Act pursuant to Section 2031.5 and the amounts allocated
26 in subdivisions (a), (b), and (c), beginning in the 2017–18 fiscal
27 year, twenty-five million dollars (\$25,000,000) of the remaining
28 revenues shall be transferred annually to the State Highway
29 Account for expenditure, upon appropriation by the Legislature,
30 to supplement the freeway service patrol program. The Controller
31 shall each month set aside one-twelfth of this amount, except in
32 the 2017–18 fiscal year, when the Controller shall set aside
33 one-eighth of this amount, to accumulate a total of twenty-five
34 million dollars (\$25,000,000) in each fiscal year. The Controller
35 may adjust the amount in the final month or months of each fiscal
36 year if necessary to achieve the annual amount specified in this
37 subdivision.

38 (e) After deducting the amounts appropriated in the annual
39 Budget Act pursuant to Section 2031.5 and the amounts allocated
40 in subdivisions (a), (b), (c), and (d), in the 2017–18, 2018–19,

1 2019–20, 2020–21, and 2021–22 fiscal years, from revenues in
2 the Road Maintenance and Rehabilitation Account that are not
3 subject to Article XIX of the California Constitution, five million
4 dollars (\$5,000,000) shall be appropriated in each fiscal year to
5 the California Workforce Development Board to assist local
6 agencies to implement policies to promote preapprenticeship
7 training programs to carry out the projects that are funded by the
8 account pursuant to Section 2038. Funds appropriated pursuant to
9 this subdivision in the Budget Act but remaining unexpended at
10 the end of each applicable fiscal year shall be reappropriated for
11 the same purposes in the following year’s Budget Act, but all funds
12 appropriated or reappropriated pursuant to this subdivision in the
13 Budget Act shall be liquidated no later than June 30, 2027.

14 (f) After deducting the amounts appropriated in the annual
15 Budget Act pursuant to Section 2031.5 and the amounts allocated
16 in subdivisions (a), (b), (c), (d), and (e), beginning in the 2017–18
17 fiscal year, twenty-five million dollars (\$25,000,000) of the
18 remaining revenues shall be available annually for expenditure,
19 upon appropriation by the Legislature, by the department for local
20 planning grants, as described in Section 2033.5. The Controller
21 shall each month set aside one-twelfth of this amount, except in
22 the 2017–18 fiscal year, when the Controller shall set aside
23 one-eighth of this amount, to accumulate a total of twenty-five
24 million dollars (\$25,000,000) in each fiscal year. The Controller
25 may adjust the amount in the final month or months of each fiscal
26 year if necessary to achieve the annual amount specified in this
27 subdivision.

28 (g) After deducting the amounts appropriated in the annual
29 Budget Act pursuant to Section 2031.5 and the amounts allocated
30 in subdivisions (a), (b), (c), (d), (e), and (f), beginning in the
31 2017–18 fiscal year and each fiscal year thereafter, from the
32 remaining revenues, five million dollars (\$5,000,000) shall be
33 available, upon appropriation, to the University of California for
34 the purpose of conducting transportation research and two million
35 dollars (\$2,000,000) shall be available, upon appropriation, to the
36 California State University for the purpose of conducting
37 transportation research and transportation-related workforce
38 education, training, and development. Before the start of each
39 fiscal year, the Secretary of Transportation and the chairs of the
40 Assembly Committee on Transportation and the Senate Committee

1 on Transportation and Housing may set out a recommended priority
2 list of research components to be addressed in the upcoming fiscal
3 year.

4 (h) Notwithstanding Section 13340 of the Government Code,
5 the balance of the revenues deposited in the Road Maintenance
6 and Rehabilitation Account are hereby continuously appropriated
7 as follows:

8 (1) Fifty percent for allocation to the department for maintenance
9 of the state highway system or for purposes of the state highway
10 operation and protection program.

11 (2) Fifty percent for apportionment to cities and counties by the
12 Controller pursuant to the formula in clauses (i) and (ii) of
13 subparagraph (C) of paragraph (3) of subdivision (a) of Section
14 2103 for the purposes authorized by this chapter.

15 *SEC. 2. Section 2033 of the Streets and Highways Code is*
16 *amended to read:*

17 2033. (a) On or before January 1, 2018, the commission, in
18 cooperation with the department, transportation planning agencies,
19 county transportation commissions, and other local agencies, shall
20 develop guidelines for the allocation of funds pursuant to
21 subdivision (a) of Section 2032.

22 (b) The guidelines shall be the complete and full statement of
23 the policy, standards, and criteria that the commission intends to
24 use to determine how these funds will be allocated.

25 (c) The commission may amend the adopted guidelines after
26 conducting at least one public hearing.

27 (d) The guidelines may include streamlining of project delivery
28 by authorizing local or regional transportation agencies to seek
29 commission approval of a letter of no prejudice that allows the
30 agency to expend its own funds in advance of an allocation of
31 funds by the commission, and to be reimbursed at a later time for
32 eligible expenditures. A letter of no prejudice shall only be
33 available to local or regional transportation agencies for moneys
34 that have been identified for future allocation to the applicant
35 agency. Moneys designated pursuant to subdivision (a) of Section
36 2032 shall only be reimbursed when there is funding available in
37 an amount sufficient to make the reimbursement.

38 (e) *The guidelines developed pursuant to this section shall only*
39 *apply to programming cycle 1 and 2 of the formulaic program, as*
40 *described in commission resolution G-17-33, and programming*

1 cycle 1 of the competitive program, as described in commission
2 resolution G-17-33.

3 (f) This section shall remain in effect only until January 1, 2024,
4 and as of that date is repealed.

5 SEC. 3. Section 2033.1 is added to the Streets and Highways
6 Code, to read:

7 2033.1. (a) (1) On or before April 1, 2020, the commission,
8 in conjunction with transportation planning agencies and county
9 transportation commissions, and in consultation with other local
10 agencies, shall develop guidelines for the apportionment of funds
11 pursuant to subdivision (a) of Section 2032.

12 (2) The guidelines shall be the complete and full statement of
13 the policy, standards, and criteria that the commission intends to
14 use to determine how these funds will be apportioned.

15 (3) The guidelines shall do, but are not limited to doing, all of
16 the following regarding the appointment of these funds:

17 (A) Identify guaranteed minimum apportionment for eligible
18 entities.

19 (B) Identify eligible local matching funds.

20 (C) Establish an apportionment formula for these funds.

21 (D) Establish the types of eligible projects consistent with
22 subdivision (b).

23 (E) Authorize an eligible entity to retain its apportionment to
24 accumulate and use that apportionment in a subsequent year for
25 a larger expenditure.

26 (4) The guidelines may include streamlining of project delivery
27 by authorizing eligible entities to seek commission approval of a
28 letter of no prejudice that allows the entity to expend its own funds
29 in advance of an apportionment of funds by the commission, and
30 to be reimbursed at a later time for eligible expenditures. A letter
31 of no prejudice shall only be available to eligible entities for
32 moneys that have been identified for future apportionment to the
33 applicant entity. Moneys designated pursuant to subdivision (a)
34 of Section 2032 shall only be reimbursed when there is funding
35 available in an amount sufficient to make the reimbursement.

36 (5) The commission may amend the adopted guidelines after
37 conducting at least one public hearing.

38 (b) A project is eligible to receive funding pursuant to
39 subdivision (a) of Section 2032 if it is eligible pursuant to

1 *subdivision (b) of Section 2030 and is consistent with Section 2 of*
2 *Article XIX of the California Constitution.*

3 *(c) (1) In order to receive an apportionment of funds pursuant*
4 *to subdivision (a) of Section 2032 from the commission in a funding*
5 *cycle, an eligible entity shall submit to the commission a list of*
6 *projects proposed to be funded with these funds. All projects*
7 *proposed to receive funding shall be adopted by resolution by the*
8 *eligible entity at a regular public meeting. The list of projects*
9 *proposed to be funded with these funds shall include a description*
10 *and the location of each proposed project, a proposed schedule*
11 *for the project's completion, and the estimated useful life of the*
12 *improvement.*

13 *(2) The commission shall approve a project list submitted by*
14 *an eligible entity pursuant to paragraph (1) unless a project*
15 *identified in the project list is not consistent with project eligibility*
16 *requirements.*

17 *(d) For purposes of this section, "eligible entity" has the same*
18 *meaning as defined in subdivision (a) of Section 2032.*

19 *(e) The guidelines developed pursuant to this section shall apply*
20 *to programming cycles beginning after the programming cycles*
21 *described in subdivision (e) of Section 2033, as it read on January*
22 *1, 2020.*

23 ~~SECTION 1. Section 2033 of the Streets and Highways Code~~
24 ~~is amended to read:~~

25 ~~2033. (a) On or before January 1, 2018, the commission, in~~
26 ~~cooperation with the department, transportation planning agencies,~~
27 ~~county transportation commissions, and other local agencies, shall~~
28 ~~develop guidelines for the allocation of funds pursuant to~~
29 ~~subdivision (a) of Section 2032.~~

30 ~~(b) (1) The commission, in cooperation with the department,~~
31 ~~transportation planning agencies, county transportation~~
32 ~~commissions, and other local agencies, shall biennially update the~~
33 ~~guidelines with final approval of the update occurring on or before~~
34 ~~January 1 of each even-numbered year.~~

35 ~~(2) The commission shall publicly release a draft of the proposed~~
36 ~~update at least six months before the January 1 final approval~~
37 ~~deadline, provide for a 90-day public comment period on the draft,~~
38 ~~and conduct at least two public hearings about the draft, at least~~
39 ~~one of which shall be conducted in the northern part of the state~~

1 and at least one of which shall be conducted in the southern part
2 of the state.

3 (e) The guidelines shall be the complete and full statement of
4 the policy, standards, and criteria that the commission intends to
5 use to determine how these funds will be allocated.

6 (d) The commission may amend the guidelines if it meets all
7 of the following requirements:

8 (1) The commission releases a draft of the proposed amendment
9 at least three months before the amendment is adopted.

10 (2) The commission provides for a 90-day public comment
11 period on the amendment.

12 (3) The commission conducts at least two public hearings, at
13 least one of which shall be conducted in the northern part of the
14 state and at least one of which shall be conducted in the southern
15 part of the state.

16 (e) The guidelines may include streamlining of project delivery
17 by authorizing local or regional transportation agencies to seek
18 commission approval of a letter of no prejudice that allows the
19 agency to expend its own funds in advance of an allocation of
20 funds by the commission, and to be reimbursed at a later time for
21 eligible expenditures. A letter of no prejudice shall only be
22 available to local or regional transportation agencies for moneys
23 that have been identified for future allocation to the applicant
24 agency. Moneys designated pursuant to subdivision (a) of Section
25 2032 shall only be reimbursed when there is funding available in
26 an amount sufficient to make the reimbursement.