

San Francisco County Transportation Authority
January 2017

New Recommended Positions

To view documents associated with the bill, click the bill number link.

Staff is proposing new support positions on Assembly Bill (AB) 1 (Frazier), AB 28 (Frazier) and SB 1 (Beall), and a new oppose position on AB 65 (Patterson), to be acted on at the February 14 Finance Committee meeting. This is the first briefing of the legislative session, and so all watch positions on other bills are also new recommendations. Additional detail on bills with new support/oppose positions are highlighted in the attached state legislative matrix.

At the January 5th Transportation Authority Board Meeting, Chair Peskin introduced a resolution of support for AB 87 (Ting). This resolution will be considered at the January 24th Board Meeting, and includes more detail about the bill and its impact on San Francisco.

Recommended Positions	Bill # Author	Keywords and Comments
Support	AB 1 Frazier D	Transportation funding. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and local roads. Estimated \$6 billion annually. Similar to SB 1 (Beall).
Support	AB 28 Frazier D	Department of Transportation: environmental review process: federal pilot program. This bill would re-enact State authorization for Caltrans to accept delegated federal authority to administer NEPA.
Oppose	AB 65 Patterson R	Transportation bond debt service. This bill would shift debt service payments for High-Speed Rail bonds from truck weight fees to the state General Fund, intending to bring the High-Speed Rail project to an end.
Support	SB 1 Beall D	Transportation funding. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and local roads. Estimated \$6 billion annually. Similar to AB 1 (Frazier).

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Bills of Interest

To view documents associated with the bill, click the bill number link. To view the bill text, click the TEXT link.

Staff is proposing new support positions on Assembly Bill (AB) 1 (Frazier), AB 28 (Frazier) and Senate Bill (SB) 1 (Beall), and a new oppose position on AB 65 (Patterson).

Bill #	Author	Description	Status	Position	Comments
AB 1 Introduced: 12/5/2016 Text	Frazier D (Dist 11)	Transportation funding. Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund.	Assembly Print	Recommend Support	This bill would create the road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and local roads. New gas taxes, diesel taxes, registration fees, and other sources would generate \$6 billion annually. See the attached MTC committee memo for more details. Also see related SB 1 (Beall).
AB 13 Introduced: 12/5/2016 Text	Eggman D (Dist 13)	580 Marine Highway. Would require the Department of Transportation to implement and oversee the 580 Marine Highway corridor project to reduce traffic by facilitating a permanent shift in container traffic away from truck transport to marine transport between the Port of Oakland and the Port of Stockton. The bill would require that the project be funded by an appropriation in the Budget Act of 2017 of \$85,000,000.	Assembly Print	Recommend Watch	This bill seeks the development of the 580 Marine Highway corridor to reduce truck traffic between Oakland and Stockton. Funding would be subject to future appropriation.
AB 17 Introduced: 12/5/2016 Text	Holden D (Dist 41)	Transit Pass Program: free or reduced-fare transit passes. Would create the Transit Pass Program to be administered by the Department of Transportation. The bill would require the Controller of the State of California to allocate moneys made available for the program, upon appropriation by the Legislature, to support transit pass programs that provide free or reduced-fare transit passes to specified pupils and students.	Assembly Print	Recommend Watch	Re-introduction of AB 2222 (2016) to establish a transit pass program for free or reduced transit fare passes to qualified schools for use by pupils. The 2016 bill was sponsored by TransForm and supported by a wide array of transportation groups and advocates. The source for funding in AB 2222 was Cap and Trade auction revenues. The bill was retained in Appropriations due to uncertainty over that funding source.

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Bill #	Author	Description	Status	Position	Comments
AB 25 Introduced: 12/5/2016 Text	Nazarian D (Dist 46)	Tour buses. Current law imposes various requirements on the operation of tour buses, including, among other things, a requirement that a tour bus operator use a safety belt at all times when operating the tour bus. This bill would state the intent of the Legislature to enact legislation relating to the safe operation of tour buses.	Assembly Print	Recommend Watch	This is a spot bill that expresses intent to develop legislation to foster safe operating tour buses. We do not typically take positions on spot bills, but wait for the release of specific language.
AB 28 Introduced: 12/5/2016 Text	Frazier D (Dist 11)	Department of Transportation: environmental review process: federal pilot program. Current federal law requires the U.S. Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the participating states 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, 2017, provided 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 pilot program. This bill would reinstate the operation of the latter provision.	Assembly Print	Recommend Support	Would re-enact State authorization for Caltrans to accept delegated federal authority to administer National Environmental Policy Act (NEPA). Delegated authority allows for faster environmental clearance. With its expiration, Caltrans is not able to approve environmental documents, threatening the progress of large scale transportation projects statewide. Transportation stakeholders across California have identified this as priority legislation.
AB 65 Introduced: 12/13/2016 Text	Patterson R (Dist 23)	Transportation bond debt service. Current law provides for transfer of certain vehicle weight fee revenues to the Transportation Debt Service Fund to reimburse the General Fund for payment of current year debt service on general obligation bonds issued for transportation purposes, including bonds issued for high-speed rail and associated purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A of 2008). This bill would specifically exclude from payment under these provisions the debt service for Proposition 1A bonds.	Assembly Print	Recommend Oppose	Another in a series of bills intended to bring the State's High-Speed Rail project to an end by shifting the debt service payments from truck weight fees to state General Fund.

San Francisco County Transportation Authority

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Bill #	Author	Description	Status	Position	Comments
AB 87 Introduced: 1/5/2017 Text	Ting D (Dist 19)	Autonomous vehicles. This bill would provide that violation of the Autonomous Vehicle statute is not an infraction and would instead, among other things, require the department to revoke the registration of a vehicle that is being operated in violation of those provisions. The bill would also authorize a peace officer to cause the removal and seizure of a vehicle operating on the public streets with a registration that has been revoked pursuant to these provisions and authorize the department to impose a penalty of up to \$25,000 per day for each autonomous vehicle operating in violation of these provisions.	Pending referral to committee	Chain Peskin has introduced a resolution to support AB 87 for consideration at the 1/24/17 SFCTA Board meeting	This bill arises from the debut by Uber of its autonomous (or “self-driving”) vehicle pilot program in San Francisco without approval from the DMV. In response, the DMV revoked the registrations of Uber’s 16 autonomous vehicles to pull the unregulated cars off public streets. The measure is supported by San Francisco Mayor Ed Lee, San Francisco Supervisor Aaron Peskin, and WalkSF, as well as bicycle interests. See attached draft resolution for consideration by the SFCTA Board on January 24.
SB 1 Introduced: 12/5/2016 Text	Beall D (Dist 15)	Transportation funding. Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. This bill contains other related provisions and other existing laws.	Senate Rules	Recommend Support	This bill would create the road maintenance and rehabilitation program to address deferred maintenance on the state highway system and local roads. New gas tax, diesel tax, registration fee, and other sources would generate \$6 billion annually. See the attached MTC committee memo for more details. Also see AB 1 (Frazier).

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Bill #	Author	Description	Status	Position	Comments
SB 4 Introduced: 12/5/2016 Text	Mendoza D (Dist 32)	Goods Movement: allocation of federal funds: Goods Movement and Clean Trucks Bond Act. This bill, subject to voter approval at the June 5, 2018, statewide primary election, would enact the Goods Movement and Clean Trucks Bond Act to authorize \$600,000,000 of state general obligation bonds as follows: \$200,000,000 to the California Transportation Commission for projects and programs eligible for funding from the Trade Corridors Improvement Fund; \$200,000,000 to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and \$200,000,000 to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated as severe or extreme nonattainment areas for ozone and particulate matter.	Senate	Recommend Watch	This is one of several measures that comprise the Senate “California Rebuild” Infrastructure package.

Total Measures: 9

Attachments (2):

1. MTC Legislation Committee Memo – Transportation Funding: AB 1 (Frazier)/SB 1 (Beall)
2. Draft Transportation Authority Resolution Supporting AB 87 (Ting)



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

Bay Area Metro Center
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San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: January 6, 2016

FR: Executive Director

W. I. 1131

RE: Transportation Funding: AB 1 (Frazier)/SB 1 (Beall)

Background

2017 marks the third consecutive year the Legislature has been seriously grappling with how to increase state transportation funding. After Assembly and Senate leaders released a joint letter in November 2016 with Governor Brown announcing a commitment to address the subject in the upcoming legislative session, Assembly Member Frazier and Senator Jim Beall each introduced the first bill of their respective houses — Assembly Bill 1 and Senate Bill 1.

Recommendation: Support

Discussion

How Would Funds Be Spent?

As shown on Attachment 1, funding in the Chairmen's bills, is distributed to local street and road repairs, state highway maintenance, goods movement, the State Transportation Improvement Program (STIP), public transit and active transportation. We estimate the Bay Area would receive *annual* formula funding boosts as follows (with additional funding available from the competitive goods movement, active transportation and transit capital competitive programs):

- Approximately \$390 million for local street and road maintenance with SB 1 providing about \$8 million more due to treatment of new gas tax revenue
- Approximately \$94 million in new STIP funds, including regional and interregional funds.
- A range of \$95-\$130 million for formula-based public transit funds, with range depending on auction revenue levels from Cap and Trade.

Notably, funding for the STIP, local roads and State Highway Operation & Protection Program (SHOPP) programs will grow by \$100 million per year starting in FY 2017-18—distributed according to a 44%/44%/12% formula, respectively—until reaching about \$500 million/year in FY 2021-22 and thereafter. This is a result of fewer weight fees being diverted from the State Highway Account.

Less Revenue, but Still Robust Proposals

The bills would raise from \$6 billion to \$6.2 billion per year once all new revenue mechanisms are in effect by year five, approximately \$1.4 billion less than the joint proposal released last August. The reduced funding results primarily from smaller gasoline and diesel fuel excise tax increases. The emphasis on “fix-it-first” for local roads and state highways is retained though these are the programs that see their funding reduced; transit funding and active transportation funding programs are maintained at the same levels seen in August. Other key changes include:

- About half of weight fee revenue is restored gradually over five years, which frees up approximately \$500 million annually to continue to offset General Fund debt service, an ongoing concern of the Brown Administration. (Note: SB 1 restores 10 percent each year up to a minimum of 50 percent, which is roughly equivalent to \$530 million based on FY 2016-17 estimated weight fee revenue. AB 1 restores \$100 million per year, up to \$500 million by FY 2021-22.)
- The bills contain more detailed provisions for goods movement funding, detailing specific categories to be funded from the Trade Corridor Investment Fund (TCIF), which would receive approximately \$600 million per year from a diesel excise tax increase of 20-cents/gallon.

Reduced Funding Volatility and Significantly Increased STIP Funding

As with the prior bills authored by Assembly Member Frazier and Senator Beall, AB 1 and SB 1 would eliminate the annual adjustment in the excise tax, a policy that has resulted in huge volatility in transportation revenue and decimated the STIP over the last two years. The bills restore the variable rate to 17.3-cents/gallon (a 7.5-cent/gallon increase from the current rate), where it was originally set when the gas tax swap was enacted in 2011, and requires the Board of Equalization to adjust it based on the Consumer Price Index on July 1, 2019 and every three years thereafter. This periodic indexing applies to the gasoline and diesel fuel excise taxes as well as the diesel sales tax rate.

How do the Bills Differ?

- The goods movement provisions in the bills are substantially different. AB 1 would distribute all federal and new state freight funds competitively through the California Transportation Commission, and allow the state to nominate projects as well. SB 1 calls out local road and rail capital and capacity enhancements as eligible and lists dollar amounts for distribution as shown below. (Such amounts would be adjusted proportionately depending on the total amount of funding to the TCIF each year.)
 - Competitive program for projects nominated by regional and local agencies and ports (\$360 million)
 - Railroad-highway grade crossings (\$70 million)
 - Border related improvements nominated by San Diego and Imperial County agencies, which are disqualified from the competitive program above (\$150 million).
- SB 1 raises the sales tax on diesel fuel by an additional 0.5% (approximately \$38 million/year) for purposes of intercity and commuter rail, with projects to be selected by Caltrans. SB 1 also reserves \$3 million annually before distributing funds for state and local roadway maintenance to the various Institutes of Transportation Studies within the University of California.

- SB 1 adds a workforce training provision, requiring that all projects funded with new transportation revenue will be required to engage in a pre-apprenticeship program for individuals, including low-income/disadvantaged individuals. SB 1 also requires Caltrans to develop a plan to increase participation from small and disadvantaged businesses.
- SB 1 imposes a \$100/year zero emission vehicle registration fee, whereas the registration fee for such vehicles in AB 1 remains at \$165/year, as proposed in 2016. This difference is relatively minor in terms of revenue impact; it would lower annual revenues from \$21 million to \$13 million.

Recommendation

Staff recommends a “support” position on these bills. Of course we are mindful to be flexible as amendments can be expected as the bills advance and other funding proposals may emerge. One particular item we would like to see modified is broadening the opportunity for Bay Area cities, transit districts, and MTC with voter-approved transportation measures to qualify for funding. The bill currently restricts this program to counties.

Known Positions

Support

See Attached

Oppose

See Attached



Steve Heminger

Attachments:

- Attachment A: Programs Funded by AB 1 (Frazier) and SB 1 (Beall) and New Vehicle and Fuel-Based Tax/Fee Provisions
- Attachment B: AB 1 (Frazier) Transportation Funding Support & Opposition

SH: rl

**Agenda Item 4b
Attachment A**

Programs Funded by AB 1 (Frazier) and SB 1 (Beall)

	AB 1 (Frazier)	SB 1 (Beall)
Local Streets & Roads	\$ 2,027	\$ 2,068
State Highways	\$ 1,433	\$ 1,474
Transit Improvements	\$ 563	\$ 563
Intercity and Commuter Rail	\$ -	\$ 38
Trade Corridors	\$ 600	\$ 600
State-Local Partnership Program	\$ 200	\$ 200
State Transportation Improvement Program	\$ 594	\$ 594
State Highway Operation & Protection Program	\$ 162	\$ 162
Active Transportation Program	\$ 80	\$ 80
Advanced Mitigation Program *	\$ 30	\$ 30
Education, Research & Workforce Training**	\$ 5	\$ 2
Totals	\$ 5,694	\$ 5,810

New Vehicle and Fuel-Based Tax/Fee Provisions

	AB 1 (Frazier)	SB 1 (Beall)
Gas tax restoration	7.5 cents/gallon	7.5 cents/gallon
New gas tax increase ¹	12 cents/gallon	12 cents/gallon
Diesel excise tax increase	20 cents/gallon	20 cents/gallon
Sales tax on diesel increase	3.5% increase	4% increase
Vehicle registration fee	\$38/year	\$38/year
Zero emission vehicle fee	\$165/year	\$100/year

AB 1 (Frazier) Transportation Funding Support & Opposition

Support

Apex Group
Associated General Contractors of California
Bay Area Council
California Alliance for Jobs
California Association of Councils of Government
California Business Roundtable
California Construction & Industrial Materials Association
California State Association of Counties
California State Association of Counties
California State Council of Laborers
California Transit Association
Caterpillar Inc.
DeSilva Gates Construction
Granite Construction
Griffith Company
International Union of Operating Engineers – CA/NV
League of California Cities
League of California Cities
Los Angeles Chamber of Commerce
Northern California Carpenters Regional Council
Orange County Business Council
Politico Group
Silicon Valley Leadership Group
Skanska
Smith Watts & Hartmann
Solano Transportation Authority
Southern California Contractors Association
Southern California Leadership Council
Southern California Partnership for Jobs
State Building & Construction Trades Council of California
Teichert Construction
Transportation Agency for Monterey County
Transportation California
United Contractors
United Contractors
Vulcan Materials Company

Opposition

None on file



RESOLUTION SUPPORTING ASSEMBLYMAN TING'S ASSEMBLY BILL (AB) 87 TO CURB
ILLEGAL SELF-DRIVING CARS

WHEREAS, San Francisco has adopted a Vision Zero policy to ensure the safety of our public realm for pedestrians, cyclist and vehicle passengers and drivers; and

WHEREAS, It has been well-documented that the scantily regulated Transportation Network Company (TNC) vehicles and “autonomous” or “self-driving” vehicles pose serious safety threats to the general public; and

WHEREAS, Assemblyman Phil Ting has taken initial steps to protect the public by introducing California Assembly Bill (AB) 87, which codifies the Department of Motor Vehicles’ (DMV) ability to revoke the vehicle registration for autonomous vehicles that violate the DMV’s Autonomous Vehicle Tester Program and fine the TNCs that operate said vehicles, as well as give local law enforcement jurisdiction to impound said vehicles; and

WHEREAS, AB 87 sends a clear message to TNCs that there are consequences for operating outside of the law by prohibiting TNCs from obtaining a permit to legally test autonomous vehicle technology on California roads for a minimum of two years; and

WHEREAS, Assemblyman Ting has also committed to developing standards for the DMV requiring disclosure of basic information to the general public about autonomous vehicles operating on local roads, including when permits are issued; now, therefore, be it

RESOLVED, That the Transportation Authority strongly supports AB 87 and urges the California State Legislature to adopt it, in order to further the goals of Vision Zero and protect the safety of the general public; and, be it further

RESOLVED, That the Transportation Authority commits to working with the City and County of San Francisco and the California State Legislature to ensure that DMV disclosure standards



and local controls are put in place to ensure public transparency and proper regulation of the growing number of TNC vehicles on our already-congested city streets.