

Memorandum

Tab 16

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 31- February 1, 2018

Reference No.: 4.1
Action

From: SUSAN BRANSEN
Executive Director

Subject: **STATE AND FEDERAL LEGISLATIVE MATTERS**

ISSUE:

Should the California Transportation Commission (Commission):

- 1) Accept the staff report on the proposed legislation identified and monitored by staff as presented in Attachment A?
- 2) Adopt a position of oppose and submit a letter (Attachment C) to Assembly Members Brough and Harper on Assembly Bill (AB) 1756? This bill would repeal the Road Repair and Accountability Act of 2017.

RECOMMENDATION:

Staff recommends that the Commission:

- 1) Accept this staff report and provide direction on legislation of interest in Attachment A.
- 2) Adopt a position of oppose and approve the transmission of the letter to Assembly Members Brough and Harper in response to AB 1756, included as Attachment C.

BACKGROUND:

The Legislature reconvened on January 3 to continue its work in the two-year session. Members introduced new bills related to transportation that staff identified to monitor based on the Commission's legislative tracking policy. Attachment A is a list of bills being monitored at this time. The last day to submit bill requests to the Office of Legislative Counsel was January 19. The bill introduction deadline is February 16, and staff expects bills to be added to this list by that date.

UPDATE ON TAX REFORM AND IMPACT ON TRANSPORTATION

On December 19, 2017, the Commission sent a letter to the leaders of Congress, including House Speaker Paul Ryan, Senate Majority Leader Mitch McConnell, and California Democratic Caucus Leader Congresswoman Zoe Lofgren. This letter urged Congress to consider the nation's commitment to transportation and to reconsider the potential impact of the tax reform to California's transportation infrastructure. The Commission shared its concerns on the removal of tax incentives for the advance refunding of bonds and elimination of commuter fringe benefits.

The Commission also urged Congress to extend alternative fuels and related infrastructure tax credits that ended in 2016.

While the final bill signed by the President maintains the tax exemption of private activity bonds and significantly alleviated some concerns to transportation investments, the new law eliminates employers' commuter fringe benefits deductions. Furthermore, the law removes the tax incentives for the advanced refunding of municipal bonds and does not include an extension to the alternative fuels and related infrastructure.

GOVERNOR'S TRANSPORTATION FUNDING PACKAGE

The Governor released the Proposed Budget for 2018-2019 on January 10th. Of the proposed \$190 billion that comprises the total state funds, the budget includes a transportation funding of \$18.7 billion for all programs administered within the California Transportation Agency. In addition, the Shared Revenues budget in the General Government area allocates over \$2.7 billion in fuel excise tax to cities and counties for local streets and roads (including \$1.2 billion from SB 1, the Road Repair and Accountability Act of 2017). Attachment B is the Governor's Budget Summary for Transportation prepared by the Department of Finance.

INTRODUCED LEGISLATION

AB 1756 was introduced by Assembly Member Brough January 4th, 2018 and is coauthored by Assembly Member Harper. This bill would repeal the Road Repair and Accountability Act of 2017 and would declare that it is to take effect immediately as an urgency statute.

The passage of Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017) delivers a comprehensive and sustainable funding solution that includes accountability measures and streamlines environmental processes for a more efficient and effective transportation system. SB 1 provides desperately-needed transportation funding to address California's aging infrastructure, and provides long-term benefits to California's communities, environment, and economy.

AB 1756 would derail crucial efforts to repair California's aging infrastructure. Considering the impact of this legislation, staff has composed a draft letter (Attachment C) for the Commission to consider submitting to Assembly Members Brough and Harper in response to AB 1756.

Attachments:

Attachment A – List of bills the Commission is monitoring this session

Attachment B – Governor's Budget Summary of the proposed transportation program budget

Attachment C – Draft letter to Assembly Members Brough and Harper

Attachment D – Assembly Bill 1756 As Introduced

Bill	Author	Title	Summary	Status	Position	Priority
AB 1	Frazier (D)	Transportation Funding	Creates the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway and local street and road systems. Provides for certain funds, creation of the Office of the Transportation Inspector General, certain loan repayments, diesel fuel excise tax revenues, the appropriations to the Low Carbon Transit Operations Program, gasoline excise taxes, a certain CEQA exemption, an Advance Mitigation Program, and a certain surface transportation project delivery program.	01/19/2017 - To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES.	Support	High
AB 13	Eggman (D)	580 Marine Highway	Requires 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. Requires that the project be funded by an appropriation in the Budget Act of 2017.	01/19/2017 - To ASSEMBLY Committee on TRANSPORTATION.	Monitoring	High

AB 278	Steinorth (R)	California Environmental Quality Act: Transportation	Exempts from the CEQA provisions a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of, or the addition of an auxiliary lane or bikeway to, existing transportation infrastructure and that meets certain requirements.	03/20/2017 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;03/20/2017 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.	Failed; Support	High
AB 351	Melendez (R)	Transportation Funding	Repeals the requirement that certain loans made to the General Fund from specified transportation funds and accounts be repaid by a specified date.	01/03/2018 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;01/03/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	High
AB 382	Voepel (R)	Fuel Taxes: Off-Highway Vehicle Trust Fund	Provides that up to a specified amount of revenues transferred to the State Parks and Recreation Fund may be transferred to the Off-Highway Vehicle Trust Fund to be available for specified purposes.	06/14/2017 - To SENATE Committees on TRANSPORTATION AND HOUSING and APPROPRIATIONS.	Monitoring	High
AB 496	Fong (R)	Transportation Funding	Creates 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.	02/28/2017 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;02/28/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	High

AB 533	Holden (D)	State Highway Route 710	Require the Department of Transportation, in consultation with the Los Angeles County Metropolitan Transportation Authority, to establish the State Route 710 North Advisory Committee to study the alternatives considered in the State Route 710 North Draft Environmental Impact Review and other transit options to improve travel in the State Route 710 North project area, along with alternatives not considered by the environmental review. Implements the alternative recommended by the advisory committee.	07/03/2017 - From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.;07/03/2017 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.	Monitoring	High
AB 694	Ting (D)	Bicycles	Requires a person operating a bicycle to ride in the right-hand lane or bicycle lane that is wide enough for a vehicle and bicycle to travel safely side by side within the lane to ride far enough to the right in order to allow vehicles to pass when approaching a place where a right turn is authorized.	03/02/2017 - To ASSEMBLY Committee on TRANSPORTATION.	Monitoring	High

AB 965	Kiley (R)	Department of Transportation: Civil Liability	Provides that, in certain actions against the Department of Transportation for personal injury, property damage, or wrongful death, the liability of the department for economic damages shall be several only and shall not be joint. Provides that the department shall be liable in those actions only for the amount of economic damages allocated to it in direct proportion to its percentage of fault, and would require a separate judgment to be rendered against the department for that amount.	04/17/2017 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;04/17/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.;04/17/2017 - Re-referred to ASSEMBLY Committee on JUDICIARY.	Monitoring	High
AB 980	Wood (D)	Broadband: Fiber Optic Cables: Priority Areas	Requires the Department of Transportation as part of those projects that are located in priority areas, to install broadband conduits capable of supporting fiber optic communication cables.	03/28/2017 - In ASSEMBLY. Coauthors revised.	Monitoring	High
AB 1001	Kiley (R)	Placer County Transportation Planning Agency	Authorizes the Placer County Transportation Planning Agency to acquire and dispose of real and personal property necessary to the full or convenient exercise of its powers.	03/06/2017 - To ASSEMBLY Committees on TRANSPORTATION and LOCAL GOVERNMENT.	Monitoring	High
AB 1041	Levine (D)	Bay Area Toll Authority: Conflict of Interest	Amends existing law relating to the Metropolitan Transportation Commission. Prohibits a representative appointed to the Oversight Committee from being affiliated, in any manner, with the Metropolitan Transportation Commission.	01/16/2018 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.	Monitoring	High

AB 1103	Obernolte (R)	Bicycles: Yielding: Pilot Program	Authorizes a city, by resolution, to implement a pilot program, commencing on a specified date, to allow a person who is operating a bicycle and approaching a stop sign to cautiously make a turn or proceed through the intersection without stopping and after yielding. Authorizes implementation of the pilot program in a certain number of cities that elect to participate. Requires each participating city to create education and outreach materials to inform the public about the pilot program.	01/08/2018 - In ASSEMBLY Committee on TRANSPORTATION: Not heard.	Monitoring	High
AB 1233	Cunningham (R)	Transportation Inspector General	Creates the Office of the Transportation Inspector General in state government to ensure that the above-referenced state agencies and all other state agencies expending state transportation funds are operating efficiently and in compliance with federal and state laws.	03/09/2017 - To ASSEMBLY Committees on TRANSPORTATION and ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.	Monitoring	High

AB 1324	Gloria (D)	Metropolitan Planning Organizations; Use Taxes	Authorizes a metropolitan planning organization or regional transportation planning agency that is authorized by law to levy, expand, increase, or extend a transactions and use tax to levy, expand, increase, or extend that tax in only a portion of the jurisdiction approved by the required percentage of the voters. Requires the revenues derived to be used only within the area for which the levy, expansion, increase, or extension was approved by the voters.	01/11/2018 - In ASSEMBLY. Read second time. To third reading.	Monitoring; Support	High
AB 1363	Baker (R)	Transportation Revenues	Amends existing law which provides for the deposit of moneys received by the DMV into the Motor Vehicle Account, including miscellaneous revenues. Amends the Budget Act by repealing the above reference item. Requires the Controller to transfer an amount equal to all revenues previously transferred from the Motor Vehicle Account into the General Fund. Requires all revenues in the Motor Vehicle Account to be used solely for transportation expenditures.	01/03/2018 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;01/03/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	High

AB 1470	Wood (D)	State Highways	Provides that a city or county shall be eligible to receive funding from an unspecified account for purposes of revitalizing a city or business district due to the loss of tourism business resulting from the highway relocation.	03/13/2017 - To ASSEMBLY Committees on TRANSPORTATION and ARTS, ENTERTAINMENT, SPORTS, TOURISM AND INTERNET MEDIA.	Monitoring	High
AB 1561	Quirk-Silva (D)	Economic Development: Infrastructure: Logistic Hubs	Amends the existing law which requires strategy for international trade and investment to include a framework that enables the office to evaluate, on an ongoing basis, current workforce, infrastructure, research and development, and other needs of small and large firms, including, among other things, airports. Requires that the strategy to identify the process to complete that evaluation, and would require that the strategy also evaluate logistic hubs.	01/18/2018 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass. To Consent Calendar.	Monitoring	High
AB 1630	Bloom (D)	Wildlife Movements	Requires the department to update the California Essential Habitat Connectivity Project and create a formal avenue for scientific data on wildlife movements gathered by universities, nonprofit corporations, public agencies, and independent biologists to be submitted to the department.	01/03/2018 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;01/03/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	High

AB 1640	Garcia E (D)	Transportation Funding: Low Income Communities	Requires each regional transportation improvement program to allocate a certain percentage of available funds to projects or programs that provide direct, meaningful, and assured benefits to low-income individuals who live in certain identified communities or to riders of transit service that connects low-income residents to critical amenities and services.	03/16/2017 - To ASSEMBLY Committee on TRANSPORTATION.	Monitoring	High
AB 1756	Brough (R)	Transportation Funding	Repeals the Road Repair and Accountability Act of 2017 which establishes, among other things, a comprehensive transportation funding program by increasing the motor vehicle fuel (gasoline) tax.	01/16/2018 - To ASSEMBLY Committee on TRANSPORTATION.	Monitoring	High
AB 1759	McCarty (D)	General Plans: Housing Element: Production Report	Requires the Department of Housing and Community Development to review each production report submitted by a city or county in accordance with specified provisions to determine whether that city or county has met the applicable minimum production goal for that reporting period.	01/04/2018 - INTRODUCED.	Monitoring	High

AB 1866	Fong (R)	Transportation funding	Creates 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. Provides for the deposit of various existing sources of revenue in the Traffic Relief and Road Improvement Account as created by this bill in the State Transportation Fund, including specified revenues attributable to sales and use tax on vehicles, from motor vehicle insurance policies, diesel fuel and registration fees.	01/12/2018 - INTRODUCED.	Monitoring	High
AB 1905	Grayson (D)	Environmental quality: judicial review: transportation projects.	This bill would, in an action or proceeding seeking judicial review under the California Environmental Quality Act, prohibit a court from staying or enjoining a transportation project that is included in a sustainable communities strategy and for which an environmental impact report has been certified, unless the court makes specified findings.	01/22/2018 – INTRODUCED	Monitoring; 2017 Report to the Legislature	High

SB 120	Budget and Fiscal Review Cmt	Transportation	Authorizes an advance payment to transportation planning agencies and county transportation commissions from those funds for programming, planning, and monitoring, under certain circumstances. Requires funds advanced in this manner to be programmed in the state transportation improvement program. Authorizes streamlining of project delivery by a letter of no prejudice to allow an implementing agency to be reimbursed funds expended in advance of an allocation. Makes an appropriation.	01/04/2018 - In ASSEMBLY. Removed from Inactive File.;01/04/2018 - Re-referred to ASSEMBLY Committee on BUDGET.	Monitoring	High
SB 264	Nguyen (R)	High-Occupancy Toll Lanes: Interstate 405	Requires net excess toll revenues, as defined, received from high-occupancy toll lanes on a specified portion of an approximately 16-mile-long project corridor in the County of Orange on Interstate 405 and that traverses the Cities of Costa Mesa, Fountain Valley, Huntington Beach, Westminster, and Seal Beach to be allocated to the Orange County Transportation Authority and certain project corridor jurisdictions according to a specified schedule.	04/25/2017 - In SENATE Committee on TRANSPORTATION AND HOUSING: Not heard.	Monitoring	High

SB 480	Hueso (D)	San Diego-Coronado Bridge: Safety Study	Require the Department of Transportation, to update the Legislature, the Assembly Committee on Transportation, and the Senate Committee on Transportation and Housing regarding any feasibility studies completed for proposed projects designed to improve safety and mitigate suicide risks.	09/08/2017 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;09/08/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	High
SB 760	Wiener (D)	Transportation Funding: Active Transportation: Streets	Establishes the Office of Active Transportation. Requires the California Transportation Commission to give high priority to increasing safety for pedestrians and bicyclists and to the implementation of bicycle and pedestrian facilities. Provides that the board of supervisors of a county shall have full authority on issues related to street design and improvements focused on accessibility for all road users, especially pedestrians, bicyclists, and transit users.	01/18/2018 - From SENATE Committee on APPROPRIATIONS: Do pass as amended.	Monitoring	High

Bill	Author	Title	Summary	Status	Position	Priority
AB 33	Quirk (D)	Transportation Electrification	Requires the Public Utilities Corporation to consider authorizing electrical corporations to offer programs and investments that support customers who purchase a used electric vehicle. Requires that the programs and investments be designed to accelerate widespread transportation electrification, achieve ratepayer benefits, reduce dependence on petroleum, meet air quality standards, and reduce emissions of greenhouse gases.	07/03/2017 - In SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Not heard.	Monitoring	Secondary

AB 87	Ting (D)	Autonomous Vehicles	Requires the Department of Motor Vehicles to adopt application requirements for the testing of autonomous vehicles on public roads without the presence of a driver inside. Requires that the manufacturer certify that the local authorities within the jurisdiction where the autonomous vehicle will be tested have been provided with a written notification. Requires that the manufacturer provide certain law enforcement agencies with a copy of a law enforcement interaction plan.	01/18/2018 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass.	Monitoring	Secondary
AB 215	Rodriguez (D)	Los Angeles-Pasadena Foothill Extension Gold Line	Appropriates a specified sum from the General Fund to the San Bernardino County Transportation Authority for the purpose of funding a specified project extension to the City of Montclair.	02/28/2017 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;02/28/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	Secondary
AB 287	Holden (D)	State Highway Route 710	Encourages the Department of Transportation to consult with local governments of cities and areas along the State Route 710 North corridor regarding development. Requires the Department to seek alternatives for the development of the State Route 710 North project area from those local governments that reduce greenhouse gas emissions and address projected population growth.	01/03/2018 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;01/03/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	Secondary
AB 427	Muratsuchi (D)	California Aerospace Commission	Establishes the Aerospace and Aviation Commission 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	01/18/2018 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;01/18/2018 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass.	Monitoring	Secondary

			these industries in the state. Requires operations of the Commission be supported through nonstate moneys.			
AB 483	Bocanegra (D)	Airports: Pollution	Requires the Department of Toxic Substances Control and the Air Resources Board to conduct or require to be conducted specified tests of the soil and air quality at general aviation noncommercial airports that meet specified criteria. Requires the Board to coordinate the air quality testing with air districts. Requires the Department to submit a specified report to the Legislature and post that report on its Internet Web sites.	04/18/2017 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;04/18/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.	Monitoring	Secondary
AB 548	Steinorth (R)	Omnitrans Transit District	Creates the Omnitrans Transit District in the County of San Bernardino to include specified cities and succeed to the right and obligations of the existing Omnitrans Joint Powers Authority.	04/17/2017 - In ASSEMBLY Committee on TRANSPORTATION: Not heard.	Monitoring	Secondary
AB 636	Irwin (D)	Local Streets and Roads: Expenditure Reports	Amends reporting requirements related to the Highway Users Tax Account. Requires a complete report of expenditures for street and road purposes to be submitted to the Controller within a certain number of months after the close of the fiscal year adopted by a county, city, or city and county. Makes conforming changes. Requires the Controller to adjust related timelines in the uniform construction cost accounting procedure to conform with the submission of certain information.	06/27/2017 - From SENATE Committee on RULES with author's amendments.;06/27/2017 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.	Monitoring	Secondary
AB 788	Frazier (D)	Department of Transportation: Administration	Provides that the Department of Transportation has possession and control of all supporting documentation and data, electronic or otherwise, held for the	03/30/2017 - To ASSEMBLY Committee on TRANSPORTATION.;03/30/2017 - From ASSEMBLY Committee on	Monitoring	Secondary

			benefit, use, or obligation of the Department of Aeronautics, the Department of Public Works, and the Office of Transportation Planning and Research in connection with the functions of those former organizations that were transferred to or vested in the department.	TRANSPORTATION with author's amendments.;03/30/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.		
AB 1121	Chiu (D)	Water Emergency Transportation Authority	Amends existing law which establishes the San Francisco Bay Area Water Emergency Transportation Authority, and prescribes the functions and duties of the authority with regard to the regulation of public transportation ferries and related water transportation. Increases the membership of the authority.	06/01/2017 - To SENATE Committee on TRANSPORTATION AND HOUSING.	Monitoring	Secondary
AB 1141	Berman (D)	Autonomous Vehicle: Freight Vehicles	Requires the Department of Motor Vehicles to adopt regulations setting forth standards for the testing of autonomous vehicles used to transport freight and consult with the Department of Transportation and the Department of the California Highway Patrol on topics including appropriate routes for autonomous vehicles used to transport freight and compliance with requirements for commercial drivers. Requires an autonomous vehicle used to transport freight to have an operator in the driver's seat at all times.	04/17/2017 - From ASSEMBLY Committee on TRANSPORTATION with author's amendments.;04/17/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.;04/17/2017 - From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on COMMUNICATIONS AND CONVEYANCE.	Monitoring	Secondary
AB 1160	Bonta (D)	Autonomous Vehicles	Changes the definition of autonomous vehicle to mean any vehicle equipped with autonomous technology that has been integrated into that vehicle or a vehicle that meets specified levels of driving automation.	06/08/2017 - To SENATE Committee on TRANSPORTATION AND HOUSING.	Monitoring	Secondary

AB 1395	Chu (D)	DoT: Litter, Debris, and Graffiti Remediation Plan	Requires the Department of Transportation to develop a litter, debris, and graffiti remediation plan, which would both address the buildup of litter and debris along state highways and freeways, the graffiti along state highways and freeways, and the delay between when the Department is notified that an area contains litter, debris, or graffiti and when the area is remediated.	01/18/2018 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;01/18/2018 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass as amended.	Monitoring	Secondary
AB 1421	Dababneh (D)	Railroads: Noise and Vibration Levels	Requires the Department of Transportation to conduct a study to conduct a study to determine the noise and vibration levels associated with all railroad lines in the vicinity of residential areas or schools.	06/08/2017 - To SENATE Committee on RULES.	Monitoring	Secondary
AB 1442	Allen T (R)	Bonds: Transportation: Water Projects	Provides that no additional bonds shall be sold for high-speed rail purposes under the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided for existing appropriations. Requires the net proceeds of certain bonds issued and sold under the Act to be made available to fund capital expenditures for water projects, including desalination facilities, wastewater treatment and recycling facilities, reservoirs, water conveyance infrastructure, and aquifer recharge.	04/24/2017 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.;04/24/2017 - In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.	Monitoring	Secondary
AB 1454	Bloom (D)	Transportation Projects: Lease Agreements	Amends the existing law which authorizes the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for	05/04/2017 - Re-referred to ASSEMBLY Committee on RULES.	Monitoring	Secondary

			certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. Reestablishes the authority under state law to engage in public-private partnerships for projects on the state highway system.			
AB 1519	Cervantes (D)	State Highways	Amends existing law which authorizes local authorities to place and maintain highway signs recognizing sponsors of that program that donate a specified sum annually to the Adopt-A-Riverway Fund. Changes the minimum annual donation amount.	03/28/2017 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/28/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.	Monitoring	Secondary
SB 30	Lara (D)	California-Mexico Border	Makes findings and declarations related to a wall on the border between California and Mexico. Prohibits the state from awarding or renewing certain contracts. Provide that, for purposes of contacts with the state, the term responsible bidder does not include a bidder who is providing or has provided goods or services to the federal government for the construction of a federally funded wall, fence, or other barrier along the State's southern border.	08/31/2017 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW with author's amendments.;08/31/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.	Monitoring	Secondary
SB 224	Jackson (D)	Personal Rights: Sexual Harassment	Amends existing law which establishes liability for sexual harassment when the plaintiff proves specified elements and existing law which states that a relationship may exist between a plaintiff and certain persons. Includes an investor, elected official, lobbyist, director, and producer among those listed persons who may be liable to a plaintiff for sexual harassment.	01/11/2018 - In SENATE. Read second time. To third reading.	Monitoring	Secondary

SB 251	Cannella (R)	Autonomous Vehicles: Pilot Project	Allows the County of Merced to conduct a pilot project for the testing of autonomous vehicles. Requires the county to obtain an instrument of insurance, surety bond, or proof of self-insurance prior to the start of testing.	02/16/2017 - To SENATE Committee on TRANSPORTATION AND HOUSING.	Monitoring	Secondary
SB 268	Mendoza (D)	Los Angeles County Metropolitan Transportation	Requires the Los Angeles County Metropolitan Transportation Authority to submit a plan to the Legislature for revising the composition of the authority, if the number of members of the board of supervisors is increased, within a specified number of days of the increase. Adds the county auditor as a nonvoting member of the board of directors. Reduces the number of the board of supervisors. Requires that one supervisor represent the largest population in the unincorporated area of the County of Los Angeles.	09/05/2017 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;09/05/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	Monitoring	Secondary
SB 415	Vidak (R)	High-Speed Rail: Rights-of-Way	Requires the High-Speed Rail Authority to make a good faith effort to sell or exchange real property or an interest in real property acquired by the state for high-speed rail purposes if the authority has not begun construction on the property or interest in the property within a specified period.	04/04/2017 - In SENATE Committee on TRANSPORTATION AND HOUSING: Failed passage.;04/04/2017 - In SENATE Committee on TRANSPORTATION AND HOUSING: Reconsideration granted.	Monitoring	Secondary
SB 422	Wilk (R)	Transportation Projects: Lease Agreements	Extends a specified authorization indefinitely and includes within a related definition of regional transportation agency the Santa Clara Valley Transportation Authority, thereby authorizing the authority to enter into public-private partnerships under provisions allowing comprehensive	03/29/2017 - To SENATE Committee on TRANSPORTATION AND HOUSING.	Monitoring	Secondary

			development lease agreements with public and private entities for projects that may charge users tolls and user fees.			
SB 555	Morrell (R)	Regulations: 5-year Review and Report	Requires a state agency to review and report on regulations that it adopts or amends on and after January 1, 2018, 5 years after adoption as specified. Requires a review and report include 10 specified factors, as specified.	03/28/2017 - In SENATE Committee on GOVERNMENTAL ORGANIZATION: Failed passage.;03/28/2017 - In SENATE Committee on GOVERNMENTAL ORGANIZATION: Reconsideration granted.	Monitoring	Secondary
SB 578	Glazer (D)	Highways: Safety Enhancement-Double Fine Zone	Designates the segment of county highway known as Vasco Road, between the State Highway Route 580 junction in Alameda County and the Marsh Creek Road intersection in Contra Costa County, as a Safety Enhancement-Double Fine Zone upon the approval of the boards of supervisors of Alameda County and Contra Costa County.	04/17/2017 - From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.;04/17/2017 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.	Monitoring	Secondary
SB 594	Beall (D)	Flood Risk: Dam Failure: Expedited Permit Processing	Requires a state agency to expedite permit processing and approval for a project that will maintain or improve human life safety protection through flood risk reduction of a risk of dam failure.	08/21/2017 - Withdrawn from SENATE Committee on TRANSPORTATION AND HOUSING.;08/21/2017 - Re-referred to SENATE Committee on RULES.	Monitoring	Secondary
SB 603	Glazer (D)	San Francisco Bay Area Rapid Transit District	Prohibits the San Francisco Bay Area Rapid Transit District from entering into an agreement that would limit its ability to prepare for a work stoppage or operate during a work stoppage.	04/24/2017 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.	Monitoring	Secondary

SB 604	Glazer (D)	San Francisco Bay Area Rapid Transit District	Prohibits employees of the San Francisco Bay Area Rapid Transit District from engaging in a strike or work stoppage if the transit district board maintains all provisions of an expired contract and an employee or employee organization has agreed to a provision prohibiting strikes in the expired or previously written labor contract. Provides for certain employee dismissals.	04/24/2017 - In SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.	Monitoring	Secondary
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Bill	Author	Title	Summary	Status	Position	Priority
AB 686	Santiago (D)	Housing Discrimination: Further Fair Housing	Requires a public agency to administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing. authorize the Director of Fair Employment and Housing to exercise his or her discretion to investigate, or to bring a civil action, based on a verified complaint that alleges a violation of these provisions. Requires an agency that completes an assessment of fair housing to submit it and post it on its Web site.	07/17/2017 - From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.;07/17/2017 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.	Monitoring	Housing/LandUse
AB 734	Bonta (D)	Infrastructure Financing Districts: City of Oakland	Authorizes an infrastructure financing district within the City of Oakland to finance public capital facilities or projects that include freight rail.	05/24/2017 - To SENATE Committees on GOVERNANCE AND FINANCE and TRANSPORTATION AND HOUSING.	Monitoring	Housing/LandUse
AB 829	Chiu (D)	Planning and Zoning: Annual Report	Amends the Planning and Zoning Law. Requires a certain annual report by planning agencies to include the relationship between jobs and housing, including any imbalance between jobs and housing. Require that this portion of the report include an assessment	06/01/2017 - To SENATE Committee on RULES.	Monitoring	Housing/LandUse

			of any significant increases or decreases in employment since the date of the last annual report.			
AB 852	Caballero (D)	Hazardous Waste: Nonbiodegradable Toxic Chemicals	Prohibits the use of a nonbiodegradable toxic chemical in a chemical toilet, recreational vehicle, or waste facility of a vessel. Prohibits the sale of a nonbiodegradable toxic chemical in a container that indicates that the chemical could be used in a chemical toilet, a waste facility of a recreational vehicle, or a waste facility of a vessel. Provides for additional prohibited toxic chemicals. Prohibits the state from requiring an RV park or campground to mitigate the presence of the chemicals.	09/07/2017 - From SENATE Committee on RULES with author's amendments.;09/07/2017 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.	Monitoring	Housing/LandUse
AB 1060	Burke (D)	Enhanced Infrastructure Financing Districts	Authorizes the City of Inglewood to create an enhanced infrastructure financing district to finance infrastructure and transit-oriented development within one mile of the Inglewood Station area. Requires the city to develop an infrastructure financing plan.	04/24/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on TRANSPORTATION.	Monitoring	Housing/LandUse
AB 1156	Ting (D)	Planning and Zoning: Housing Element	Requires the analysis of a housing element to include documentation on the percentage of residents who pay more than 30% and more than 50% of their income towards the cost of housing.	06/21/2017 - Re-referred to SENATE Committee on TRANSPORTATION AND HOUSING.	Monitoring	Housing/LandUse
AB 1350	Friedman (D)	Land Use: Housing Element: Regional Housing Need	Relates to the Planning and Zoning Law. Relates to regional housing need assessments. Requires a noncompliant city or county, as defined, to pay a penalty, as provided, to the Department of Housing and Community Development. Requires the penalty to be deposited in the Regional Housing Needs Assessment Compliance Fund, and continuously appropriates money in the fund to the department for the distribution of	03/27/2017 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/27/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	Monitoring	Housing/LandUse

			grants, as specified, to compliant cities and counties.			
AB 1683	Burke (D)	Transformative Climate Communities Program: Report	Requires the Strategic Growth Council to submit a specified report on the Transformative Climate Communities Program to the Governor and specified committees of the Legislature.	06/14/2017 - To SENATE Committee on RULES.	Monitoring	Housing/LandUse

Legislation that failed passage, but has been tracked:

AB 65	Patterson (R)	Transportation Bond Debt Service	Amends an existing law which 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 certain general obligation bonds. Repeals the requirement to loan any remaining weight fee revenues to the General Fund in a fiscal year in which all of the weight fee revenues are not needed for payment of debt service on general obligation bonds issued or to redeem or retire those bonds.	01/08/2018 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.	Failed	High
AB 91	Cervantes (D)	High-Occupancy Vehicle Lanes	Prohibits a high-occupancy vehicle lane from being established in the County of Riverside, unless that lane is established as a high-occupancy vehicle lane only during the hours of heavy commuter traffic, as determined by the Department of Transportation.	09/15/2017 - In SENATE. From third reading. To Inactive File.	Failed	High

AB 1077	O'Donnell (D)	Off-Highway Vehicles	Extends the operation of the Off-Highway Motor Vehicles Recreation Act until a specified date. Relates to a service fee issuance or renewal of identification of off-highway motor vehicles. Relates to special fees and specified use fees for state vehicular recreation areas. Extends the operation of these provisions until a specified date.	05/26/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	Failed	High
SB 389	Roth (D)	Department of Transportation: Project Delivery Services	Authorizes the Department of Transportation to establish a fee schedule and to charge a fee relative to transportation project delivery services requested by a local agency or other entity, including, but not limited to, job mix formula verifications, material quality plant program inspections, and laboratory accreditations. Authorizes the department to adopt regulations to specify the terms and conditions for providing these services. Requires money collected and deposited in the State Highway Account.	09/01/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.		High
768	Allen (D)	Transportation Projects: Comprehensive Development	Extends the authorization of the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees.	05/25/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Failed	High

SCA 2	Newman (D)	Motor Vehicle Fees and Tax: Restriction on Expenditures	Requires revenues derived from vehicle fees imposed under a specified chapter of the Vehicle License Fee Law to be used solely for transportation purposes. Prohibits these revenues from being used for the payment of principal and interest on state transportation general obligation bonds. Restricts portions of the sales and use tax on diesel fuel to expenditure on certain transportation planning or mass transportation purposes. Requires those revenues to be deposited in the Public Transportation Account.	04/17/2017 - In SENATE. From third reading. To Inactive File.	Failed	High
SCA 6	Wiener (D)	Local Transportation Measure: Special Taxes: Voter	Requires that the imposition, extension, or increase by a local government of a special tax as may otherwise be authorized by law, whether a sales or transactions and use tax, parcel tax, or other tax for the purpose of providing funding for transportation purposes be submitted to the electorate by ordinance and approved by a certain percentage of the voters voting on the proposition.	05/25/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Failed	High
AB 118	Budget Cmt	Transportation	Requires the Department of Transportation to develop an outreach plan to increase procurement opportunities for new and limited contracting small business enterprises, including those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups, in all of the department's programs. Requires the department to achieve a minimum 25% certified small business participation in state-funded contracts and procurements. Requires certain data collection.	07/20/2017 - In SENATE. From third reading. To Inactive File.	Failed	Secondary

AB 962	Allen T (R)	Infrastructure Financing for Seaports	Amends existing law authorizing the formation of a seaport infrastructure financing district. Requires the bank to approve the infrastructure development and equipment purchase project if the bank finds that the project is more likely than not to result in the harbor agency's estimated state fiscal and economic impacts. Requires the bank to adopt a resolution approving funding.	01/18/2018 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;01/18/2018 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	Failed	Secondary
AB 1184	Ting (D)	Vehicular Air Pollution: Incentives	Requires the State Air Resources Board to submit to the Legislature a report on the operations of its vehicle incentive programs containing specified information.	09/07/2017 - In SENATE. From third reading. To Inactive File.	Failed	Secondary
AB 1341	Calderon I (D)	Zero-Emission Vehicles: Tax Credits	Allows a credit under the Personal Income Tax Law, depending on the type of vehicle, to a qualified taxpayer who purchased a near-zero or zero-emission vehicle during the taxable year. Provides an additional credit qualified taxpayers who are low-income purchasers.	05/26/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	Failed	Secondary
AB 1509	Baker (R)	San Francisco Bay Area Rapid Transit District	Requires BART to maintain its existing commitment of funds for the acquisition, construction, or completion of rapid transit facilities and prohibits BART from redirecting any existing funds dedicated for system infrastructure capital improvements or rolling stock to cover operating expenses following the approval of Measure RR.	05/26/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	Failed	Secondary
SB 53	Hueso (D)	Natural Gas Vehicles	Authorizes a vehicle operated by an engine fueled primarily by natural gas to exceed certain weight limits by an amount, up to a specified maximum, equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system. Requires certain institutions to estimate	05/25/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Failed	Secondary

			the damage caused by vehicles operating pursuant to this authorization.			
SB 414	Vidak (R)	Transportation Bonds: Highway, Street, and Road Project	Provides that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation. Requires the net proceed of the bonds to be made available to the California Transportation Commission for allocation for repair and new construction projects on state highways and freeways.	01/09/2018 - In SENATE Committee on TRANSPORTATION AND HOUSING: Failed passage.	Failed	Secondary
SB 477	Cannella (R)	Intercity rail corridors: extensions	Provides that at any time after an interagency transfer agreement between the Department of Transportation and a joint powers board has been entered into, the amendment of the agreement may provide for the extension of an affected rail corridor to provide intercity rail service beyond the defined boundaries of the corridor. Requires a proposed extension to be approved through a specified business plan.	09/01/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	Failed	Secondary
AB 915	Ting (D)	Planning and Zoning: Density Bonus: Affordable Housing	Authorize the City and County of San Francisco to apply that ordinance to the total number of housing units in the development, under specified circumstances, including any additional housing units granted pursuant to these provisions, after there has been an affirmative declaration made by the Department of Housing and Community Development that the affordable housing minimum percentage required is broadly feasible for density bonus projects.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Monitoring; Failed	Housing/ LandUse
AB 943	Santiago (D)	Land Use Regulations: Local Initiatives: Voter Approval	Excludes requirement the proposal and submission to the voters of an ordinance or amendment of an ordinance by the legislative body and the adoption or amendment of a city or county charter. Excludes ordinances to certain	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Monitoring; Failed	Housing/ LandUse

			lands specified in such general plan. Increases the vote threshold for approval of local ordinances or amendments of ordinances intended to reduce density or stop development or construction of any parcels located less than one mile from a major transit stop within a municipality.			
AB 1404	Berman (D)	Environmental Quality Act: Categorical Exemption	Revises exemptions from the California Environmental Quality Act to include proposed residential and mixed-use housing projects occurring within an unincorporated area of a county. Requires the Office of Planning and Research to recommend proposed regulatory amendments for the implementation of these provisions. Requires the secretary to certify and adopt the changes.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Monitoring; Failed	Housing/ LandUse
AB 1404	Berman (D)	Environmental Quality Act: Categorical Exemption	Revises exemptions from the California Environmental Quality Act to include proposed residential and mixed-use housing projects occurring within an unincorporated area of a county. Requires the Office of Planning and Research to recommend proposed regulatory amendments for the implementation of these provisions. Requires the secretary to certify and adopt the changes.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.	Monitoring; Failed	Housing/ LandUse

TRANSPORTATION

The Transportation Agency is responsible for developing and coordinating the policies and programs of the state's transportation entities to improve the mobility, safety, and environmental sustainability of the state's transportation system. The Agency consists of the following six state entities:

- Department of Transportation (Caltrans)
- California Transportation Commission (Commission)
- High-Speed Rail Authority
- Department of Motor Vehicles
- California Highway Patrol
- Board of Pilot Commissioners

The Office of Traffic Safety operates within the Office of the Secretary for Transportation (Agency) and the New Motor Vehicle Board operates within the Department of Motor Vehicles.

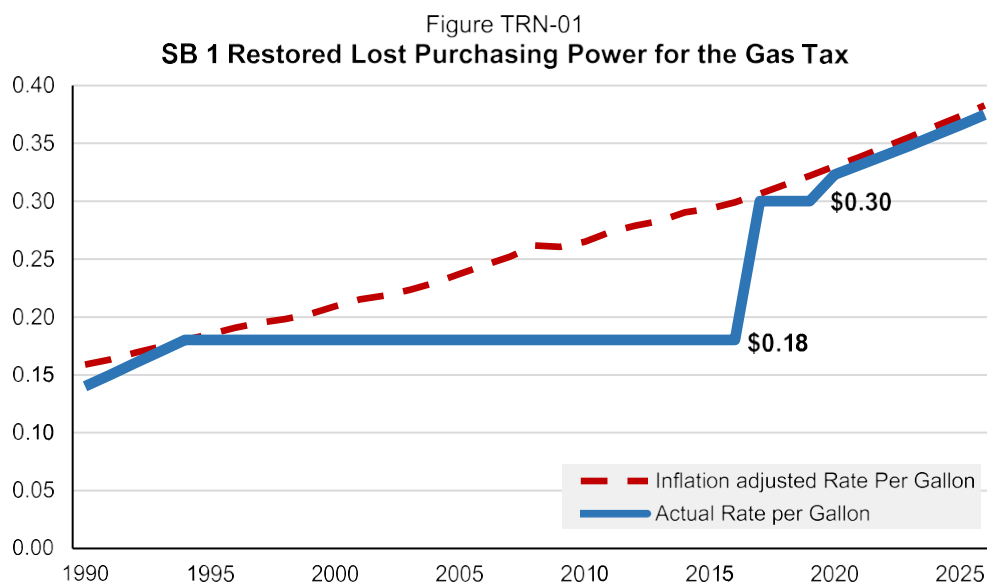
The Budget includes total funding of \$18.7 billion for all programs administered within the Agency. In addition, the Shared Revenues budget in the General Government area allocates over \$2.7 billion in fuel excise tax to cities and counties for local streets and roads (including \$1.2 billion from SB 1, the Road Repair and Accountability Act of 2017).

THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

The repair, maintenance, and efficient operation of the state's transportation system are vital to California's economic growth. In recent decades, state and local transportation funding fell dramatically below the levels needed to maintain the system. Studies found that Californians were spending on average \$762 annually for vehicle repair costs due to our poorly maintained roads. California continues to be among the top five states with the longest commute duration.

The fuel tax, a highway user fee dedicated to transportation, is how federal, state, and local governments have traditionally funded California's highways and roads. The federal government has not raised the federal gas tax rate in nearly 25 years, leaving the federal Highway Trust Fund nearly insolvent and roads, bridges, and transit systems across the nation in aged and poor condition. In response, the Legislature passed the Road Repair and Accountability Act of 2017, enacted by Chapter 5, Statutes of 2017 (SB 1), which provides stable, long-term funding for both state and local transportation infrastructure priorities. In doing this, California joined 25 other states that have all passed fuel taxes, vehicle fees, or other transportation-related fees since 2013 to fix roads and bridges in their states.

Like these other states, California was facing the reality that inflation had significantly eroded its purchasing power since the gas tax was last raised in 1994 (see Figure TRN-01). In addition to increased construction and repair costs, gas tax revenues have stagnated as vehicles have become more fuel efficient. These factors taken together left states with a significant shortfall in the resources needed to maintain and improve state and local transportation systems.



SB 1 invests more than \$5 billion per year in highway, bridge, road, and transit improvements.

With voter approval of ACA 5 on the June ballot, all SB 1 revenues will be constitutionally dedicated to transportation. SB 1 includes strong oversight and efficiency requirements so that funds provide the intended results, including a new independent transportation Inspector General.

Over the next decade, the \$55 billion transportation package will provide \$15 billion for state highway repairs and maintenance, \$4 billion in state bridge repairs, \$3.3 billion for state trade corridors, and \$2.5 billion for the state's most congested commute corridors. Local roads will receive more than \$15 billion in new funding for maintenance and repairs and \$2 billion in matching funds for local partnership projects. Transit and intercity rail will receive \$7.6 billion in additional funding, and local governments will have access to \$1 billion for active transportation projects. This sustained investment over the course of the next decade and beyond will support hundreds of thousands of jobs in California.

By the end of October 2017 (a month before the new tax rates went into effect), Caltrans and the California Transportation Commission had already advanced more than \$5 billion in “fix-it-first” projects for earlier completion because of SB 1 funding. Caltrans is also accelerating the delivery of 60 bridge projects along trade corridors in Northern, Central, and Southern California. By Spring 2018, the Commission and the California State Transportation Agency will announce grants for competitive programs to improve the state's most heavily used trade corridors and the most congested regional commute corridors, as well as funding new, transformative, public transit projects. A list of these projects and their progress toward completion is available for public review on the [Rebuilding California-SB 1 website](#).

The new SB 1 revenues are allocated by statutory formula to the state for highways, to cities and counties for local roads, and to transit agencies for operations and capital expenditures, and will begin flowing in February 2018. The 2017 Budget provided \$2.9 billion in new funding from SB 1, and improvements funded from these new revenues are being implemented immediately. To jump start delivery of SB 1 goals, Caltrans' pavement maintenance funding has been increased by approximately \$575 million per year. Caltrans has accelerated and programmed 210 highway repair, and bicycle and pedestrian access projects to date. Caltrans is also working with the Commission to program larger repair and rehabilitation projects. Similarly, cities and counties have submitted over 4,000 proposed projects for which the \$451 million in SB 1 funds available in 2017-18, as well as SB 1 funds available in future years, can be used. Pursuant to this list, the Commission approved an initial allocation of these funds to cities and counties at its December 2017 meeting.

Over the next 5 years, SB 1 will increase the resources available for new state highway repair projects from \$9 billion to \$17 billion. The State Highway Operations and Protection Program (SHOPP), the state's long term highway repair plan has been increased by \$1.6 billion in project

funding capacity through 2018-19, with another \$7 billion in projects planned from 2019-20 through 2022-23.

The 2017-18 Budget provided \$2.8 billion in new funding from SB 1 for transportation projects, and the 2018-19 Budget includes \$4.6 billion in new SB 1 funding. These revenues will be distributed evenly between state and local transportation priorities (see Figure TRN-02).

Figure TRN-02
Road Maintenance and Accountability Act Funding
 (Dollars in Millions)

Program		2017-18 Appropriation	2018-19 Appropriation
Local Allocations	Local Streets and Roads	\$451	\$1,193
	Transit and Intercity Rail Capital Program	\$330	\$330
	State Transit Assistance	\$280	\$355
	Local Partnership Program	\$200	\$200
	Active Transportation Program	\$100	\$100
	Commuter Rail and Intercity Rail	\$25	\$36
	Local Planning Grants	\$25	\$25
Total:		\$1,411	\$2,239
State Allocations	SHOPP/Maintenance	\$451	\$1,210
	Bridges and Culverts	\$400	\$400
	Commuter Corridors	\$250	\$250
	Trade Corridor Enhancement	\$153	\$306
	Department of Parks and Recreation*	\$53	\$79
	Air Resources Board Clean Freight	\$50	\$0
	Freeway Service Patrol	\$25	\$25
	Department of Food and Agriculture*	\$17	\$26
	Transportation-related CSU and UC Research	\$7	\$7
	Transportation Workforce Development Board	\$5	\$5
Total:		\$1,411	\$2,308
Administration	Department of Motor Vehicles	\$4	\$8
	Total:	\$4	\$8
Revenue	Transportation Improvement Fee	\$737	\$1,510
	Gasoline Excise Tax	\$1,250	\$1,852
	Diesel Excise Tax	\$405	\$672
	Diesel Sales Tax	\$200	\$286
	General Fund Loan Repayment	\$235	\$235
Total:		\$2,827	\$4,555

*Revenue derived from fuel purchased for off-road vehicles.

Progress in the implementation the Road Repair and Accountability Act:

- **Efficiencies**—SB 1 requires Caltrans to achieve \$100 million in annual efficiencies that can be redirected back to capital projects and maintenance. Caltrans is currently implementing a range of efficiencies that are estimated to generate considerably more than \$100 million in cost avoidance and monetary savings. Some of these include reducing overhead costs, accelerating work, innovative contracting tools, value engineering, streamlining of environmental reviews, and implementing of new technologies. Caltrans will provide an interim report at the Commission's January 2018 board meeting later this month detailing the status of these efficiency improvements.
- **Office of the Inspector General**—SB 1 established an Office of the Inspector General to provide verification and assurance that funds are being used optimally and as the Act intends. The Office will also oversee the Department's compliance with the new contracting diversity goals in SB 1. The Governor has appointed the new Inspector General, and the 2017 Budget Act provided audit staff and funding to support the office's efforts.
- **Local Streets and Roads**—The 2017 Budget provided \$451 million to cities and counties for projects that begin addressing their highest repair needs on local streets and roads. Cities and counties are expected to begin receiving the new revenues together with their base road maintenance funding by early February 2018. The Budget provides \$1.2 billion in new revenues to cities and counties to continue addressing the backlog of local road repairs.
- **Transit and Intercity Rail Capital Program**—The upcoming five-year program from new SB 1 revenues and existing Cap and Trade auction proceeds will provide \$2.4 billion in new transit project funding. The program was created to fund transformative projects such as the BART Silicon Valley extension and expanded Los Angeles Union Station capacity, growing ridership and reducing greenhouse gas emissions. The Agency adopted guidelines for the program in October 2017, with project applications due January 12, 2018, and awards expected by April 30, 2018. The Budget provides \$330 million in SB 1 funds for these projects.
- **State Transit Assistance**—For 2017-18, in addition to the transit capital project funding, SB 1 also provided an additional \$280 million for operations for local transit agencies in addition to the \$500 million in other base annual funding. Funds are expected to flow to local transit agencies beginning in early February 2018, and will permit local agencies to improve service for transit riders. The Budget provides an additional \$355 million for local transit operations, bringing the 2018-19 total to \$855 million.
- **Local Partnerships**—SB 1 provides \$200 million per year as matching funds for local projects in jurisdictions that generate local transportation revenues. The Commission completed guidelines for this revised program on October 18, 2017, with local agencies proposing projects by January 30, 2018, and with project selection completed by May 16, 2018. This

program will function similarly to the State-Local Partnership program, which received \$1 billion from Proposition 1B in 2006 and funded projects such as the Interstate-5 French Camp Road Interchange Improvement in San Joaquin County, the La Paz Bridge and Road Widening in Orange County, the 10th Avenue Widening and Reconstruction in Kings County, the White Rock Road Widening and Signalization in El Dorado County, the Yosemite Avenue Reconstruction in Merced County, and the Shaw Avenue Improvements in Fresno County.

- **Active Transportation Program**—SB 1 provides \$100 million per year for bicycle and pedestrian facility projects such as the Santa Ana City First Street Pedestrian Improvement in Orange County, the Palm Drive Bicycle and Pedestrian Improvement in Riverside County, and the Boron to Desert Lake Pedestrian Path in Kern County. These projects provide viable transportation alternatives to the traveling public, improve links to transit, and support other policy objectives such as reducing greenhouse gas emissions. As a result of additional SB 1 funding, the Commission was able to advance 22 existing projects and fund 71 additional projects in both the current and budget years. Selection of state-sponsored projects has already been completed, and final selection of locally-sponsored projects is expected to be complete by the end of January 2018.
- **Repair and Maintenance of the State Highway System**—With the \$451 million provided in the 2017 Budget, Caltrans was able to accelerate 117 projects with a value totaling \$993 million. Maintenance efforts are projected to fix 67,000 potholes, 5,400 lane miles of cracking and 7,000 spalls along with 765,000 feet of guardrail and 32,000 miles of striping. Current year funds are being allocated toward high priority highway repair projects such as 42 lane miles of rubberized pavement in Santa Barbara County, and 36 lane miles of pavement in Kings County. More highway repair projects will be added and accelerated as part of the proposed 2018 State Highway Operation Protection Program due to be adopted in March 2018. The Budget provides \$1.2 billion to continue addressing the state's highest repair and maintenance needs.
- **Bridge and Culvert Repairs**—SB 1 provides \$400 million per year to fund repairs and maintenance on the state's bridge and culvert infrastructure, including such projects as the seismic retrofit of two bridges at the Santa Ana River in San Bernardino County, the Seismic Retrofit of the Salinas River Bridge in Monterey County, the Tower Bridge pier protection replacement in Yolo County, and the replacement of the Cache Creek Bridge in Kern County. It also allowed Caltrans to move forward quickly with projects like the culvert repair around Soda Springs and the sinkhole repair on Interstate 15 in San Diego. More bridge projects will be added and accelerated as part of the proposed 2018 State Highway Operation Protection Program due to be adopted in March 2018.
- **Commuter Corridors**—SB 1 provides \$250 million per year for projects to improve capacity

in the state's most congested commuter corridors. The Commission completed guidelines for this revised program on December 6, 2017, and projects are due by February 2018, with project selection expected by May 16, 2018. Typical projects include highway widening, high occupancy vehicle lanes, and improved on-ramp and off-ramp construction. This program will be similar to the Corridor Mobility Improvement Account program, which received \$4.5 billion from Proposition 1B in 2006 and funded projects such as the Sonoma Narrows Highway 101 widening and high occupancy vehicle lane project in Marin County, the Lincoln Bypass project in Placer County, the Sonora Bypass project in Tuolumne County, and the Highway 57 northbound widening project in Orange County.

- **Trade Corridor Enhancements**—The 2017 Budget provided \$203 million for projects that address bottlenecks and improve throughput on the state's most economically important trade corridors. Of this amount, \$50 million was appropriated to the Air Resources Board for its competitive Zero/Near-Zero Emission Warehouse Program, which will fund projects that reduce emissions from freight-related sources. For the remainder of these funds, the Commission completed guidelines for this revised program on October 18, 2017, and proposed projects are due by January 30, 2018, with project selection expected by May 16, 2018. This Budget provides \$306 million to fund new projects to meet the state's current and future freight needs. Typical projects include port improvements, highway railroad grade separations, highway widening, and double tracking for freight rail. This program will be similar to the Trade Corridors program, which received \$2 billion from Proposition 1B in 2006 and funded projects such as the Interstate-880 Reconstruction at 23rd & 29th Avenues in Alameda County, the Tehachapi Trade Corridor Rail Improvement Project in Kern County, the San Gabriel Valley Grade Separation Program in Los Angeles County, the Schuyler Heim Bridge Replacement in Los Angeles County, the Gerald Desmond Bridge Replacement in Los Angeles County, the Magnolia Avenue Grade Separation in Riverside County, the Interstate-15 Widening and Devore Interchange Reconstruction in San Bernardino County, and the Port of San Diego Freeway Access Improvements in San Diego County.
- **Freeway Service Patrols**—SB 1 provides \$25 million per year on top of the existing \$25 million in base funding for local transportation agencies to fund freeway service patrols that help clear incidents that cause temporary congestion, such as flat tires or vehicles that have run out of fuel. Studies have shown that disabled vehicles cause up to a third of the state's traffic delays.

CALIFORNIA TRANSPORTATION AGENCY

Significant Adjustment:

- New SB 1 Resources for Intercity and Commuter Rail Program—\$36 million Public Transportation Account from increased diesel sales tax revenues to be allocated by the Agency for operations and capital improvements of intercity and commuter rail services. Allocation requests were received on December 15, 2017, for the three-year period ending 2019-20. Rail operators indicate this funding will expand rail service, be used to purchase or rehabilitate train sets, and improve track and signal infrastructure.

STATE TRANSIT ASSISTANCE PROGRAM

The State Transit Assistance program provides a share of revenues from diesel sales taxes and the new Transportation Improvement Fee, as well as a statutory share of proceeds from Proposition 1B bonds and the sale of Cap and Trade credits, to fund operating subsidies for local transit agencies. The State Controller distributes these revenues based on a statutory allocation formula.

Significant Adjustment:

- New SB 1 State Transit Assistance Grants—\$355 million Public Transportation Account to local transit agencies for operations and capital costs.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (Caltrans) has almost 20,000 employees and a budget of \$13.6 billion. Caltrans designs and oversees the construction of state highways, operates and maintains the highway system, funds three intercity passenger rail routes, and provides funding for local transportation projects. The Department maintains 50,000 lane miles of state highway and more than 12,000 state-owned bridges, and inspects 408 public-use and special-use airports and heliports. The largest sources of funding for transportation projects are excise taxes paid on fuel consumption, federal funds also derived from fuel taxes, and weight fees on trucks.

Significant Adjustments:

- New SB 1 Transportation Project Funding—\$2.8 billion in additional funding for a range of programs, including \$1.2 billion for highway maintenance and repairs, with \$53.3 million for 400 new maintenance positions, \$400 million for repairing state-owned bridges and culverts, \$330 million for local transit projects, \$306 million for improvements to the state's trade corridors, \$250 million for projects to relieve commuter corridors, \$200 million in

matching funds for the Local Partnership Program, \$100 million for active transportation projects, \$25 million for freeway service patrols, and \$25 million for local planning grants.

- Personal Services Funding Correction—\$58 million to properly allocate personal service funding. This technical adjustment will fully fund all Caltrans positions from the appropriate funding categories.
- Cyber Security—\$10.4 million State Highway Account and 4 positions for Caltrans to develop an enterprise privacy office to address its ongoing cyber security needs. While \$9.2 million will be for hardware and software, \$700,000 will be for consulting and licenses and \$500,000 will be for 4 ongoing positions to work with vendors, develop training, policies, and procedures, and manage the program.
- Federally Mandated Workload—\$4.7 million federal funds and State Highway Account to address several new federal requirements. This includes \$3 million for consultants to develop a Strategic Highway Safety Plan, \$850,000 for 4 positions to meet new tunnel inspection requirements, and \$835,000 to address federal risk mitigation requirements.

SHARED REVENUES

Funding provided through the Shared Revenues program is apportioned to local jurisdictions based on statutory formulas.

Significant Adjustment:

- New SB 1 Local Road Maintenance Funding—\$1.2 billion in additional funding for cities and counties to be distributed by the State Controller.

CALIFORNIA HIGHWAY PATROL

The California Highway Patrol (CHP) promotes the safe, convenient, and efficient transportation of people and goods across the state highway system and provides the highest level of safety and security to the facilities and employees of the State of California. The Budget proposes \$2.4 billion, all from non-General Fund sources, and almost 11,000 positions for support of the CHP.

Significant Adjustments:

- Vehicle Replacements—\$4.5 million Motor Vehicle Account for the CHP to address a replacement backlog of vehicles that have surpassed the mileage limits established by

independent consultants as industry best practices. Provisional language was also added that will permit the CHP to fully utilize its annual budget to address its fleet replacement needs.

- **Radio Console Replacements**—\$3.9 million Motor Vehicle Account for the first-year cost of a \$13.3 million effort to replace 187 dispatch radio consoles at 23 CHP communications centers. Included in this amount is four-year limited-term funding of \$509,000 for 4 IT positions to install, service, and repair the new equipment.
- **Vehicle-Mounted Radar Units**—\$600,000 Motor Vehicle Account annually for two-years to replace radar units that are past their useful life or are no longer functioning.

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers, and protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. Most recently, the DMV has successfully addressed the initial workload associated with expanded eligibility for driver licenses, and the Department is prepared to address workload related to the requirements of the federal Real ID Act. The Budget proposes \$1.2 billion, mostly from non-General Fund sources, and more than 8,300 positions, to support DMV operations.

Significant Adjustments:

- **IT Software Replacement**—\$15 million Motor Vehicle Account for the first-year costs of the Front End Sustainability Project, the DMV's five-year \$89 million effort to replace its software for vehicle registration and managing service fees and payments. Over the five-year project, the estimated costs include \$38 million for the software system contract, \$43 million for Department of Technology staff, data center usage, and associated equipment and facilities upgrades, and \$8 million for 10 additional DMV staff.
- **IT Hardware Refresh**—\$3.1 million Motor Vehicle Account to replace high-priority equipment and hardware that has reached the end of its useful life. This equipment includes servers, as well as network and storage equipment that support the ability of the DMV to provide reliable services to its customers.
- **Clean Vehicle Decal Program**—\$2.7 million Motor Vehicle Account, including funding for 3 ongoing positions and 18 temporary help positions, for a new clean air vehicle decal program pursuant to Chapter 630, Statutes of 2017 (AB 544).

BOB ALVARADO, Chair
FRAN INMAN, Vice Chair
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JOSEPH TAVAGLIONE
PAUL VAN KONYNENBURG

STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor

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

SUSAN BRANSEN, Executive Director



CALIFORNIA TRANSPORTATION COMMISSION

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SACRAMENTO, CA 94273-0001
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January 31, 2018

The Honorable William P. Brough
Member of the Assembly
State Capitol, Room 3141
Sacramento, CA 95814

The Honorable Matthew Harper
Member of the Assembly
State Capitol, Room 3149
Sacramento, CA 95814

Dear Assembly Members:

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

Statewide taxes and fees dedicated to the maintenance of this system have not been increased in more than 20 years, with those revenues losing more than 55 percent of their purchasing power, while costs to maintain the system have steadily increased and much of the underlying infrastructure has aged past its expected useful life. California drivers are spending an extra \$17 billion each year in extra maintenance and car repair bills, which is more than \$700 per driver, due to the state's poorly-maintained roads. California leadership must address this growing problem now, or else we will leave future generations with the burden of a crumbling transportation infrastructure.

Honorable William P. Brough and Honorable Matthew Harper

January 31, 2018

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The passage of Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017) delivers a comprehensive and sustainable funding solution that includes accountability measures for a more transparent, efficient, and effective transportation system. SB 1 provides desperately-needed transportation funding to address California's aging infrastructure, creates jobs in the construction sector, and provides long-term benefits to California's communities, environment, and economy.

Without SB 1 resources, there is a catastrophic shortfall in funding necessary to maintain and rehabilitate local streets and roads as well as the state highway system. AB 1756 would derail crucial efforts to repair California's aging infrastructure. This legislation would halt the investments needed to relieve extreme congestion, improve air quality and public health, enhance public transit and freight movement, and encourage innovation in advanced technologies. Furthermore, AB 1756 would decelerate job creation in the construction industry, which has been instrumental in the current economic recovery.

For these reasons, at its January 31, 2018 meeting, the Commission adopted a position to oppose AB 1756. The Commission urges you to continue California's investment in transportation and reconsider this legislation because it would severely impact the quality of life for people in California as well as the everyday movement of both people and freight. Enclosed with this letter is a list of projects in Assembly District 73 and Assembly District 74 that are contingent on SB 1 funding as of January 31, 2018.

If we can be of assistance, please contact the Commission's Executive Director Susan Bransen at (916) 654-4245.

Sincerely,

BOB ALVARADO

Chair

cc: Commissioners, California Transportation Commission
Susan Bransen, California Transportation Commission, Executive Director
Brian Annis, California State Transportation Agency, Acting Secretary

Enclosure

Honorable William P. Brough and Honorable Matthew Harper
January 31, 2018
Enclosure

SB 1 Projects in Assembly Districts 73 and 74

Assembly District 73 - Represented by Assembly Member William P. Brough		
Location	Program	Project Benefits
Dana Point, Laguna Beach, and Newport Beach.	Local Streets and Roads	This project, submitted by Orange County Transportation Agency, will provide improvements to Interstate 5, Rt 73-Oso Parkway Segment 1. This project will upgrade Americans with Disabilities Act curb ramps and improve 36 lane miles on State Route 1 from south of Vista Del Sol to Newport Coast Drive.
San Clemente	State Highway Projects	Drainage project to repair concrete panels in channel slope at the Segunda Deshecha Channel on the northbound side of the Avenida Pico off-ramp in the city of San Clemente.
Dana Point, San Clemente, San Juan Capistrano	State Highway Projects	This project will resurface nearly nine miles of Interstate 5 north of San Clemente with rubberized asphalt.
San Clemente	Local Streets and Roads	This alley pavement reconstruction project will rehabilitate a half-mile of 20-foot wide public alleys.
San Juan Capistrano: Capistrano Villas	Local Streets and Roads	The project will rehabilitate approximately 2.2 miles of residential streets, construction of 5 ADA ramps, replacement of 10 speed humps, and construction of a raised channelization island and an additional street light at one major intersection. The rehabilitation will involve completed pavement reconstruction in some areas and pavement overlay in other areas.
Mission Viejo - Submitted by City	Local Streets and Roads	This project will resurface 61.75 lane miles of public residential streets as part of the City of Mission Viejo Residential Resurfacing Program.
Dana Point - Crown Valley Parkway from PCH to Camino del Avion	Local Streets and Roads	Arterial roadway rehabilitation of the pavement surface on Crown Valley Parkway
Laguna Niguel - Alicia Parkway Pavement Rehabilitation Project	Local Streets and Roads	Roadway maintenance and repair including the repair of isolated areas of pavement, pavement grinding and removal, asphalt pavement overlay, associated concrete improvements including bus pads and access ramps, adjustment of surface facilities to final pavement grade, and roadway marking and striping.

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Laguna Hills	Local Streets and Roads	This citywide pavement rehabilitation will include the removal/replacement of deteriorated pavement, edge grinding, asphalt concrete overlay, raise utilities to grade, provide slurry seal and striping, install ADA ramps, and other related improvements.
Rancho Santa Margarita - Avenida Empresa	Local Streets and Roads	This pavement repair project consists of grinding 0.2 miles of existing asphalt and placement of a new layer of asphalt concrete, as well as full-depth reconstruction in localized areas.
Aliso Viejo - Glenwood Terrace Rehabilitation	Local Streets and Roads	This project will provide patching and overlay to repair local street pavement.
Location	Program	Project Benefits
Dana Point Harbor	Local Streets and Roads	This project involves roadway pavement reconstruction, replacing access ramps, sidewalk & cross gutters. The road rehabilitation work will consist of cold mill and resurfacing 1.0 miles of road, slurry seal 0.7 miles of road, and replacing traffic striping and pavement markings.
Orange County - Annual Road Maintenance - Santiago Canyon Road	Local Streets and Roads	This project, submitted by the County of Orange, will consist of roadway pavement reconstruction, resurfacing 5 miles of road with rubberized asphalt concrete, and replacing traffic striping and pavement markings.
Orange County - Annual Road Maintenance - Silverado Canyon and Modjeska Canyon	Local Streets and Roads	Roadway pavement along Silverado Canyon Road will be removed and reconstructed. 7.3 miles of roadway will be resurfaced with rubberized asphalt concrete, and traffic striping and pavement markings will be refreshed. The work along Modjeska Canyon Road will consist of cold milling, installing a pavement mat interlayer and resurfacing 1.3 mile of road with asphalt concrete.
Live Oak Canyon Road and Trabuco Canyon Road Safety Improvements	Local Streets and Roads	This project will provide safety Improvements for 4.7 miles of roadway, including grading of shoulders, high-friction pavement treatment, and replacement of guardrails and signs.
Orange County - Crown Valley Parkway over Arroyo Trabuco	Local Streets and Roads	This project will replace 170 feet of torn sealant on the west side of the bridge.

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Orange County - Thisa Way Bridge over Silverado Creek	Local Streets and Roads	The project will provide prevent creek erosion by placing grout and rock beneath the bridge to bolster the creek bank.
Orange County - Kitterman Drive Bridge over Silverado Creek	Local Streets and Roads	The project will provide prevent creek erosion by placing grout and rock beneath the bridge to bolster the creek bank.
Assembly District 74 - Represented by Assembly Member Matthew Harper		
Santa Ana, Irvine, Tustin	State Highway Projects	This traffic management systems project will upgrade the existing fiber optic communication system, closed-circuit television system, and electronic equipment on Interstate 5 from State Route 133 to State Route 55.
Huntington Beach, Long Beach, Newport Beach, Seal Beach	State Highway Projects	This traffic management project will upgrade traffic signals, curb ramps, and drainage on State Route 1 from Crystal Heights Drive to First Street in Orange County.
Location	Program	Project Benefits
Dana Point, Laguna Beach, Newport Beach	State Highway Projects	This pavement preservation project will upgrade Americans with Disabilities Act-required curb ramps and improve 36 lane miles on State Route 1 from south of Vista Del Sol to Newport Coast Drive in the cities of Laguna Beach and Newport Beach.
Garden Grove, Huntington Beach, Newport Beach, Stanton, Westminster	State Highway Projects	\$2.7 million project will resurface nearly five miles of pavement on State Routes 1 and 39 near Westminster and Huntington Beach in Orange County.
Newport Beach	Local Streets and Roads	This project will involve reconstruction of deteriorated concrete by grinding down and overlaying sections of MacArthur Boulevard and University Drive with rubberized asphalt concrete.
Huntington Beach	Local Streets and Roads	This project will rehabilitate arterial highways.

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Laguna Beach	Local Streets and Roads	This project provides funding to repair damaged pavement and slurry seal the streets that were last rehabilitated in 2008.
Costa Mesa	Local Streets and Roads	This project will provide major rehabilitation to city streets which are in immediate need of improvement, including Newport Blvd. Frontage Rd. (N/B) - 15th St. to 17th St. The project is implemented in accordance with the Pavement Management System to meet the City Council Goal to reach and maintain an average Citywide Pavement Condition Index of 85 by 2017.
Costa Mesa	Local Streets and Roads	This project will provide major rehabilitation to city streets which are in immediate need of improvement, including 23rd Street from Elden Ave. to Waterman Way. The project is implemented in accordance with the Pavement Management System to meet the City Council Goal to reach and maintain an average Citywide Pavement Condition Index of 85 by 2017.
Irvine	Local Streets and Roads	This project will rehabilitate local streets and roadway pavements.
Laguna Woods	Local Streets and Roads	This project will rehabilitate local streets and roads along Westbound El Toro Road between Avenida Sevilla and Paseo de Valencia, including replacement of deteriorated pavement and application of a surface seal of crack sealant and rubberized slurry. Pedestrian accessibility improvements will also be made.
Location	Program	Project Benefits
Laguna Woods	Local Streets and Roads	This project will rehabilitate local streets and roads along Eastbound El Toro Road between Avenida Sevilla and Church Intersection, including replacement of deteriorated pavement and application of a surface seal of crack sealant and rubberized slurry. Pedestrian accessibility improvements will also be made.
Orange County - Santa Ana Avenue	Local Streets and Roads	This project will rehabilitate approximately 4300 square feet of deck area on Santa Ana Avenue over Santa Ana Delhi Channel.

ASSEMBLY BILL**No. 1756**

**Introduced by Assembly Member Brough
(Coauthor: Assembly Member Harper)**

January 4, 2018

An act to amend Section 14526.5 of, to add Sections 63048.66, 63048.67, 63048.7, 63048.75, 63048.8, and 63048.85 to, to repeal Sections 14033, 14110, 14526.7, 14556.41, and 16321 of, to repeal Chapter 5 (commencing with Section 14460) of Part 5 of Division 3 of Title 2 of, and to repeal and add Section 63048.65 of, the Government Code, to repeal Section 43021 of the Health and Safety Code, to amend Section 99312.1 of, and to repeal Sections 99312.3, 99312.4, and 99314.9 of, the Public Utilities Code, to amend Sections 6051.8, 6201.8, 7360, 8352.4, 8352.5, 8352.6, and 60050 of, to repeal Sections 7361.2, 7653.2, 60050.2, and 60201.4 of, and to repeal Chapter 6 (commencing with Section 11050) of Part 5 of Division 2 of, the Revenue and Taxation Code, to amend Sections 2104, 2105, 2106, and 2107 of, to repeal Sections 2103.1 and 2192.4 of, to repeal Article 2.5 (commencing with Section 800) of Chapter 4 of Division 1 of, and to repeal Chapter 2 (commencing with Section 2030) and Chapter 8.5 (commencing with Section 2390) of Division 3 of, the Streets and Highways Code, to amend Section 4156 of, and to repeal Sections 4000.15 and 9250.6 of, the Vehicle Code, and to repeal Sections 1, 2, 43, 48, and 49 of Chapter 5 of the Statutes of 2017, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1756, as introduced, Brough. Transportation funding.

Existing law, the Road Repair and Accountability Act of 2017, establishes a comprehensive transportation funding program by increasing the motor vehicle fuel (gasoline) tax by \$0.12 per gallon with an inflation adjustment, increasing the diesel excise tax by \$0.20 per gallon with an inflation adjustment, creating a new transportation improvement fee imposed under the Vehicle License Fee Law with a varying fee between \$25 and \$175 based on vehicle value and with an inflation adjustment, creating a new \$100 annual vehicle registration fee applicable only to zero-emission vehicles model year 2020 and later and with an inflation adjustment, and increasing the additional sales and use tax rate on diesel fuel by an additional 4%. The act provides that the fuel excise tax increases take effect on November 1, 2017, the transportation improvement fee takes effect on January 1, 2018, the zero-emission vehicle registration fee takes effect on July 1, 2020, and the additional sales and use tax rate increases take effect on November 1, 2017. The act provides for the expenditure of the revenues generated from these charges pursuant to specified to programs and other requirements.

This bill would repeal the Road Repair and Accountability Act of 2017.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 14033 of the Government Code is
2 repealed.
3 ~~14033. On or before January 1, 2018, the department shall~~
4 ~~update the Highway Design Manual to incorporate the “complete~~
5 ~~streets” design concept.~~
6 SEC. 2. Section 14110 of the Government Code is repealed.
7 ~~14110. Consistent with federal and state laws and regulations,~~
8 ~~including, but not limited to, the department’s goal setting~~
9 ~~methodology as approved by the Federal Highway Administration,~~
10 ~~the department shall develop a plan by January 1, 2020, to increase~~
11 ~~by up to 100 percent the dollar value of contracts and procurements~~
12 ~~awarded to small businesses, disadvantaged business enterprises,~~
13 ~~and disabled veteran business enterprises. The plan shall include~~

1 ~~the use of targeted media, including minority and women business~~
2 ~~enterprises, to outreach to these businesses and shall be provided~~
3 ~~to the Legislature pursuant to Section 9795.~~

4 SEC. 3. Chapter 5 (commencing with Section 14460) of Part
5 5 of Division 3 of Title 2 of the Government Code is repealed.

6 SEC. 4. Section 14526.5 of the Government Code is amended
7 to read:

8 14526.5. (a) Based on the asset management plan prepared
9 and approved pursuant to Section 14526.4, the department shall
10 prepare a state highway operation and protection program for the
11 expenditure of transportation funds for major capital improvements
12 that are necessary to preserve and protect the state highway system.
13 Projects included in the program shall be limited to *capital*
14 improvements relative to the maintenance, safety, operation, and
15 rehabilitation of state highways and bridges that do not add a new
16 traffic lane to the system.

17 (b) The program shall include projects that are expected to be
18 advertised prior to July 1 of the year following submission of the
19 program, but which have not yet been funded. The program shall
20 include those projects for which construction is to begin within
21 four fiscal years, starting July 1 of the year following the year the
22 program is submitted.

23 (c) ~~(1) The department, at a minimum, shall specify, for each~~
24 ~~project in the state highway operation and protection program, the~~
25 ~~capital and support budget, as applicable, well as a projected~~
26 ~~delivery date, for each of the following project phases: components:~~

27 ~~(A) Project approval and environmental documents, support~~
28 ~~only.~~

29 ~~(B) Plans, specifications, and estimates, support only.~~

30 ~~(C) Rights-of-way.~~

31 ~~(D) Construction.~~

32 ~~(2) The department shall specify, for each project in the state~~
33 ~~highway operation and protection program, a projected delivery~~
34 ~~date for each of the following components:~~

35 ~~(A) Project approval and environmental document completion.~~

36 ~~(B) Plans, specifications, and estimates completion.~~

37 ~~(C) Right-of-way certification.~~

38 ~~(D) Start of construction.~~

39 ~~(1) Completion of project approval and environmental~~
40 ~~documents.~~

1 (2) *Preparation of plans, specifications, and estimates.*

2 (3) *Acquisition of rights-of-way, including, but not limited to,*
3 *support activities.*

4 (4) *Start of construction.*

5 (d) ~~The department shall submit its proposed program shall be~~
6 *submitted* to the commission not later than January 31 of each
7 even-numbered year. Prior to ~~submitting its proposed program,~~
8 *the plan*, the department shall make a draft of its proposed program
9 available to transportation planning agencies for review and
10 comment and shall include the comments in its submittal to the
11 commission. ~~The department shall provide the commission with~~
12 ~~detailed information for all programmed projects on cost, scope,~~
13 ~~schedule, and performance metrics as determined by the~~
14 ~~commission.~~

15 (e) ~~The commission shall~~ *may* review the ~~proposed~~ program
16 relative to its overall adequacy, consistency with the asset
17 management plan prepared and approved pursuant to Section
18 14526.4 and funding priorities established in Section 167 of the
19 Streets and Highways Code, the level of annual funding needed
20 to implement the program, and the impact of those expenditures
21 on the state transportation improvement program. The commission
22 shall adopt the program and submit it to the Legislature and the
23 Governor not later than April 1 of each even-numbered year. The
24 commission may decline to adopt the program if the commission
25 determines that the program is not sufficiently consistent with the
26 asset management plan prepared and approved pursuant to Section
27 14526.4.

28 (f) ~~As part of the commission's review of the program required~~
29 ~~pursuant to subdivision (a), the commission shall hold at least one~~
30 ~~hearing in northern California and one hearing in southern~~
31 ~~California regarding the proposed program.~~

32 (g) ~~On or after July 1, 2017, to provide sufficient and transparent~~
33 ~~oversight of the department's capital outlay support resources~~
34 ~~composed of both state staff and contractors, the commission shall~~
35 ~~be required to allocate the department's capital outlay support~~
36 ~~resources by project phase, including preconstruction. Through~~
37 ~~this action, the commission will provide public transparency for~~
38 ~~the department's budget estimates, increasing assurance that the~~
39 ~~annual budget forecast is reasonable. The commission shall develop~~
40 ~~guidelines, in consultation with the department, to implement this~~

subdivision. Guidelines adopted by the commission to implement this subdivision shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(h) Beginning July 1, 2017, for a project that experiences increases in capital or support costs above the amounts in the commission's allocation pursuant to subdivision (g), the commission shall establish a threshold for requiring a supplemental project allocation. The commission's guidelines adopted pursuant to subdivision (g) shall also establish the threshold that the commission determines is necessary to ensure efficiency and may provide exceptions as necessary so that projects are not unnecessarily delayed.

(i) The department, for each project requiring a supplemental project allocation pursuant to subdivision (h), shall submit a request to the commission for its approval.

(j)

(f) Expenditures for these projects shall not be subject to Sections 188 and 188.8 of the Streets and Highways Code.

SEC. 5. Section 14526.7 of the Government Code is repealed.

14526.7. (a) The department shall incorporate the performance targets in subdivision (n) of Section 1 of the act adding this section into the asset management plan adopted by the commission and targets adopted by the commission pursuant to Sections 14526.4 and 14526.5. The asset management plan shall also include targets adopted by the commission in consultation with the department for each asset class included in subdivision (n) of Section 1 of the act adding this section to measure the degree to which progress was made towards achieving the overall 2027 targets. Targets may be modified by the commission as needed to conform to federal regulation on performance measures and the completion of the department's asset management plan. Nothing in this section precludes the commission from adopting additional targets and performance measures pursuant to paragraph (1) of subdivision (c) of Section 14526.4.

(b) As specified by guidelines adopted by the commission, the department shall report to the commission on its progress toward meeting the targets and performance measures established for state highways pursuant to subdivision (n) of Section 1 of the act adding this section and paragraph (1) of subdivision (c) of Section 14526.4.

SEC. 6. Section 14556.41 of the Government Code is repealed.

1 ~~14556.41. As of June 30, 2017, projects in Section 14556.40~~
2 ~~for the Traffic Congestion Relief Program shall be deemed~~
3 ~~complete and final, and funding levels shall be based on actual~~
4 ~~amounts requested by the designated lead applicant pursuant to~~
5 ~~Section 14556.12. Projects without approved applications in~~
6 ~~accordance with Section 14556.12 shall no longer be eligible for~~
7 ~~program funding. Traffic Congestion Relief Program savings shall~~
8 ~~be transferred to other transportation accounts for the purposes~~
9 ~~specified in Section 16321.~~

10 SEC. 7. Section 16321 of the Government Code is repealed.

11 ~~16321. The amount of outstanding loans made pursuant to~~
12 ~~Section 14556.8 is seven hundred six million dollars~~
13 ~~(\$706,000,000). This amount shall be repaid from the General~~
14 ~~Fund pursuant to subdivision (c) of Section 20 of Article XVI of~~
15 ~~the California Constitution no later than June 30, 2020, and upon~~
16 ~~repayment of this amount all loans authorized pursuant to Section~~
17 ~~14556.8 and any associated interest shall be deemed repaid. The~~
18 ~~loans shall be repaid proportionately and in equal installments over~~
19 ~~three years. The Department of Finance shall prepare a loan~~
20 ~~repayment schedule, pursuant to which the outstanding loans shall~~
21 ~~be repaid by June 30, 2020, as follows:~~

22 ~~(a) Two hundred fifty-six million dollars (\$256,000,000) for~~
23 ~~transfer to the Public Transportation Account, to be allocated as~~
24 ~~follows:~~

25 ~~(1) Up to twenty million dollars (\$20,000,000) to local and~~
26 ~~regional agencies for climate change adaptation planning.~~

27 ~~(2) The remainder to the Transit and Intercity Rail Capital~~
28 ~~Program as authorized in Part 2 (commencing with Section 75220)~~
29 ~~of Division 44 of the Public Resources Code.~~

30 ~~(b) Two hundred twenty-five million dollars (\$225,000,000)~~
31 ~~for transfer to the State Highway Account, for the State Highway~~
32 ~~Operation and Protection Program.~~

33 ~~(c) Two hundred twenty-five million dollars (\$225,000,000) is~~
34 ~~hereby continuously appropriated without regard to fiscal year to~~
35 ~~the Controller for apportionment to cities and counties for local~~
36 ~~streets and roads pursuant to the formula in paragraph (3) of~~
37 ~~subdivision (a) of Section 2103 of the Streets and Highways Code.~~

38 SEC. 8. Section 63048.65 of the Government Code is repealed.

39 ~~63048.65. (a) Prior to July 1, 2015, three hundred twenty-one~~
40 ~~million dollars (\$321,000,000) of the one billion two hundred~~

~~million dollars (\$1,200,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund was repaid using tribal gaming compact revenues. In 2016, an additional one hundred seventy-three million dollars (\$173,000,000) was repaid from the General Fund.~~

~~(b) The remaining seven hundred six million dollars (\$706,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund shall be repaid pursuant to Section 14556.8.~~

SEC. 9. Section 63048.65 is added to the Government Code, to read:

63048.65. (a) Upon a filing by the Director of Finance with the bank of a list of designated tribal compacts and the specific portions of the compact assets to be sold, the bank may sell for, and on behalf of, the state, solely as its agent, those specific portions of the compact assets to a special purpose trust. To that end, a special purpose trust is hereby established as a not-for-profit corporation solely for that purpose and for the purposes necessarily incidental thereto. The bank may enter into one or more sales agreements with the special purpose trust on terms it deems appropriate, which may include covenants of, and binding on, the state necessary to establish and maintain the security of the bonds and exemption of interest on the bonds from federal income taxation. The portion of the compact assets to be sold shall be an amount or amounts determined by the Director of Finance that are necessary to provide the state with net proceeds of the sale, not to exceed one billion five hundred million dollars (\$1,500,000,000), exclusive of capitalized interest on the bonds and any costs incurred by the bank or the special purpose trust in implementing this article, including, but not limited to, the cost of financing one or more reserve funds, any credit enhancements, costs incurred in the issuance of bonds, and operating expenses. Those specific portions of the compact assets may be sold at one time or from time to time.

(b) The special purpose trust may issue bonds, including, but not limited to, refunding bonds, on the terms it shall determine, and do all things contemplated by, and authorized by, this division with respect to the bank, and enjoy all rights, privileges, and immunities the bank enjoys pursuant to this division, or as authorized by Section 5140 of the Corporations Code with respect to public benefit nonprofit corporations, or as necessary or appropriate in connection with the issuance of bonds, and may

1 enter into agreements with any public or private entity and pledge
2 the compact assets that it purchased as collateral and security for
3 its bonds. However, to the extent of any conflict between any of
4 the foregoing and the provisions of this article, the provisions of
5 this article shall control. The pledge of any of these assets and of
6 any revenues, reserves, and earnings pledged in connection with
7 these assets shall be valid and binding in accordance with its terms
8 from the time the pledge is made, and amounts so pledged and
9 thereafter received shall immediately be subject to the lien of the
10 pledge without the need for physical delivery, recordation, filing,
11 or other further act. The special purpose trust, and its assets and
12 income, and bonds issued by the special purpose trust, and their
13 transfer and the income therefrom, shall be exempt from all
14 taxation by the state and by its political subdivisions.

15 (c) (1) The net proceeds of the sale of compact assets by the
16 bank shall be deposited in the following order:

17 (A) One billion two hundred million dollars (\$1,200,000,000)
18 plus any interest due pursuant to paragraph (3) of subdivision (c)
19 of Section 14556.8, to the Traffic Congestion Relief Fund for the
20 purpose of funding or reimbursing the cost of projects, programs,
21 and activities permitted and necessary to be funded by that fund
22 in accordance with applicable law, and to repay loans made from
23 the State Highway Account and the Public Transportation Account
24 to the Traffic Congestion Relief Fund pursuant to Section 14556.8,
25 in the following priority order:

26 (i) Transfer of four hundred forty-three million dollars
27 (\$443,000,000) plus any interest due pursuant to paragraph (3) of
28 subdivision (c) of Section 14556.8, to the State Highway Account
29 for project expenditures.

30 (ii) Two hundred ninety million dollars (\$290,000,000) for
31 allocation to Traffic Congestion Relief Program projects.

32 (iii) Two hundred seventy-five million dollars (\$275,000,000)
33 to the Public Transportation Account for project expenditures.

34 (iv) All remaining funds for allocation to Traffic Congestion
35 Relief Program projects.

36 (B) To the Transportation Deferred Investment Fund, an amount
37 up to the outstanding amount of the suspension of the 2004–05
38 fiscal year transfer of the sales tax on gasoline to the Transportation
39 Investment Fund pursuant to requirements of Article XIX B of the
40 California Constitution.

(C) To the Transportation Deferred Investment Fund, an amount up to the outstanding amount of the suspension of the 2003–04 fiscal year transfer of the sales tax on gasoline to the Transportation Investment Fund pursuant to requirements of Article XIX B of the California Constitution.

(2) Notwithstanding paragraph (1), if and to the extent it is necessary to ensure to the maximum extent practicable the eligibility for exclusion from taxation under the federal Internal Revenue Code of interest on the bonds to be issued by the special purpose trust, the Director of Finance may adjust the application of proceeds not eligible for exclusion from taxation among the authorized funds described in paragraph (1). The Department of Finance shall submit a report to the Legislature describing any proposed changes among the authorized funds in paragraph (1), and consistent with this paragraph, at least 30 days prior to issuing the bonds pursuant to this article. Amounts deposited in the Traffic Congestion Relief Fund pursuant to paragraph (1) shall be applied as a credit to transfers from the General Fund that the Controller would otherwise be required to make to that fund. Amounts deposited in the Transportation Deferred Investment Fund shall be expended in conformance with Sections 7105 and 7106 of the Revenue and Taxation Code, and the amounts so deposited shall also be applied as a credit to the transfers from the General Fund that the Controller would otherwise be required to make under those sections. The Legislature hereby finds and declares that the deposits and credits described in this subdivision do not constitute the use of the proceeds of bonds or other indebtedness to pay a yearend State Budget deficit as prohibited by subdivision (c) of Section 1.3 of Article XVI of the California Constitution. Subject to any constitutional limitation, the use and application of the proceeds of any sale of compact assets or bonds shall not in any way affect the legality or validity of that sale or those bonds.

(d) Funds received from amended tribal-state compacts, or new compacts entered into and ratified on or after the effective date of this article, pursuant to Section 4.3.1 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, that are neither sold to the special purpose trust nor otherwise appropriated, and funds received as a result of the state's acquisition of an ownership interest in any residual interest in compact assets attributable to Section 4.3.1 of the amended

1 compacts, or the comparable section in new compacts, as specified
2 in those compacts, shall be remitted to the California Gambling
3 Control Commission for deposit in the General Fund.

4 (e) Funds received from amended tribal-state compacts, or new
5 compacts entered into and ratified on or after the effective date of
6 this article, pursuant to Section 4.3.3 of the amended compacts,
7 or the comparable section in new compacts, as specified in those
8 compacts, shall be held in an account within the Special Deposit
9 Fund until those funds are sold or otherwise applied pursuant to
10 this subdivision. From time to time, at the direction of the Director
11 of Finance, any moneys in this account shall be deposited and
12 applied in accordance with subdivision (c) or shall be deemed to
13 be compact assets for purposes of sale to the special purpose trust
14 pursuant to this article. If the Director of Finance determines that
15 the bonds authorized pursuant to this article cannot be successfully
16 issued by the special purpose trust, funds within the account shall
17 be deposited in accordance with subdivision (c). In addition, all
18 subsequent revenues remitted pursuant to Section 4.3.3 of the
19 amended compacts, or the comparable section in new compacts,
20 as specified in those compacts, and funds received as a result of
21 the state's acquisition of an ownership interest in any residual
22 interest in compact assets attributable to Section 4.3.3 of the
23 amended compacts, or the comparable section in new compacts,
24 as specified in those compacts, shall be used to satisfy the purposes
25 of subdivision (c). After the amounts described in subdivision (c)
26 have been fully paid to the funds designated in that subdivision,
27 or in any year during which any portion of these amounts as
28 outlined in subdivision (c) are repaid from the General Fund
29 pursuant to subdivision (c) of Section 20 of Article XVI of the
30 California Constitution in an amount that is greater than or equal
31 to the amount of tribal gaming revenues remitted pursuant to
32 Section 4.3.3 of the amended compacts in that year, either pursuant
33 to this article or by other appropriations or transfers, the revenues
34 received by the state from Section 4.3.3 of the compact shall be
35 remitted to the California Gambling Control Commission for
36 deposit in the General Fund.

37 (f) The principal office of the special purpose trust shall be
38 located in the County of Sacramento. The articles of incorporation
39 of the special purpose trust shall be prepared and filed, on behalf
40 of the state, with the Secretary of State by the bank. The members

1 of the board of directors of the bank as of the effective date of this
2 article, the Director of the Department of Transportation, and the
3 Director of General Services, shall each serve ex officio as the
4 directors of the special purpose trust. Any of these directors may
5 name a designee to act on his or her behalf as a director of the
6 special purpose trust. The Director of Finance or his or her designee
7 shall serve as chair of the special purpose trust. Directors of the
8 special purpose trust shall not be subject to personal liability for
9 carrying out the powers and duties conferred by this article. The
10 Legislature hereby finds and declares that the duties and
11 responsibilities of the directors of the special purpose trust and the
12 duties and responsibilities of the Director of Finance established
13 under this article are within the scope of the primary duties of those
14 persons in their official capacities. The special purpose trust shall
15 be treated as a separate legal entity with its separate corporate
16 purpose as described in this article, and the assets, liabilities, and
17 funds of the special purpose trust shall be neither consolidated nor
18 commingled with those of the bank.

19 SEC. 10. Section 63048.66 is added to the Government Code,
20 to read:

21 63048.66. (a) Notwithstanding Section 63048.65 or any other
22 provision of this article, compact assets that are subject to
23 designation by the Director of Finance for sale pursuant to
24 subdivision (a) of Section 63048.65 and that are timely deposited
25 or are due for deposit in the Special Deposit Fund on or after July
26 1, 2008, and on or before June 30, 2016, shall not be available for
27 the purpose of Section 63048.65.

28 (b) The Director of Finance shall determine the portion of the
29 compact assets described in subdivision (a) that are attributable to
30 payments made for each fiscal year. The Director of Finance may
31 direct the Controller, by separate order applicable to the assets for
32 each fiscal year, to transfer the compact assets attributable to that
33 fiscal year from the Special Deposit Fund to the General Fund.

34 (c) Upon order of the Director of Finance, the Controller shall
35 transfer the compact assets as provided in subdivision (b).

36 (d) If any legal challenges to the issuance of bonds pursuant to
37 this article are settled sufficiently for the bonds to be sold, the
38 following shall occur:

39 (1) Notwithstanding subdivision (a), the tribal assets described
40 in subdivision (a) that are in the Special Deposit Fund, or are still

1 due for payment to the Special Deposit Fund, may be made
2 available for sale pursuant to subdivision (a) of Section 63048.65.

3 (2) The transfer of any compact assets to the General Fund
4 pursuant to this section shall be suspended until after the bonds
5 are sold, and any possible future transfers to the General Fund
6 shall be consistent with the provisions of the bond sale.

7 SEC. 11. Section 63048.67 is added to the Government Code,
8 to read:

9 63048.67. The loans made from the State Highway Account
10 through the Traffic Congestion Relief Fund to the General Fund
11 that are referenced in clause (i) of subparagraph (A) of paragraph
12 (1) of subdivision (c) of Section 63048.65 are hereby determined
13 to have been from weight fee revenues in the State Highway
14 Account fund balance. Any repayments made to the State Highway
15 Account pursuant to subdivision (e) of Section 63048.65, upon
16 transfer of those funds to the State Highway Account, shall be
17 immediately transferred by the Controller from the State Highway
18 Account to the Transportation Debt Service Fund for use pursuant
19 to Section 16965.

20 SEC. 12. Section 63048.7 is added to the Government Code,
21 to read:

22 63048.7. Notwithstanding any other provision of this division,
23 Article 3 (commencing with Section 63040), Article 4
24 (commencing with Section 63042), and Article 5 (commencing
25 with Section 63043) do not apply to any bonds issued by the special
26 purpose trust established by this article. All matters authorized in
27 this article are in addition to powers granted to the bank in this
28 division.

29 SEC. 13. Section 63048.75 is added to the Government Code,
30 to read:

31 63048.75. Any sale of some or all of the compact assets under
32 this article shall be treated as a true sale and absolute transfer of
33 the property so transferred to the special purpose trust and not as
34 a pledge or grant of a security interest by the state, the bank board,
35 or the bank for any borrowing. The characterization of the sale of
36 any of those assets as an absolute transfer by the participants shall
37 not be negated or adversely affected by the fact that only a portion
38 of the compact assets is transferred, nor by the state's acquisition
39 of an ownership interest in any residual interest in the compact
40 assets, nor by any characterization of the special purpose trust or

1 its bonds for purposes of accounting, taxation, or securities
2 regulation, nor by any other factor whatsoever.

3 SEC. 14. Section 63048.8 is added to the Government Code,
4 to read:

5 63048.8. (a) (1) On and after the effective date of each sale of
6 compact assets, the state shall have no right, title, or interest in or
7 to the compact assets sold, and the compact assets so sold shall be
8 property of the special purpose trust and not of the state, the bank
9 board, or the bank, and shall be owned, received, held, and
10 disbursed by the special purpose trust or the trustee for the
11 financing. None of the compact assets sold by the state pursuant
12 to this article shall be subject to garnishment, levy, execution,
13 attachment, or other process, writ, including, but not limited to, a
14 writ of mandate, or remedy in connection with the assertion or
15 enforcement of any debt, claim, settlement, or judgment against
16 the state, the bank board, or the bank.

17 (2) On or before the effective date of any sale, the state, acting
18 through the Director of Finance, upon direction of the bank, shall
19 notify each tribe that has executed a designated tribal compact that
20 the particular compact assets that have been sold to the special
21 purpose trust and irrevocably instruct the tribe that, as of the
22 applicable effective date and so long as the bonds secured by the
23 compact assets are outstanding, the compact assets sold are to be
24 paid directly to the trustee for the applicable bonds of the special
25 purpose trust. Certification by the Director of Finance that this
26 notice has been given shall be conclusive evidence thereof for
27 purposes of this article.

28 (3) The state pledges and agrees with the holders of any bonds
29 issued by the special purpose trust that it will not authorize anyone
30 other than an Indian tribe with a federally authorized compact to
31 engage in specified gaming activities within the defined core
32 geographic market of an Indian tribe that is a party to a designated
33 tribal compact in violation of the designated tribal compact as
34 ratified by the Legislature, unless adequate provision is made by
35 law for the protection of the holders of bonds in a manner
36 consistent with the indenture or trust agreement pursuant to which
37 the bonds are issued. The state pledges to and agrees with the
38 holders of any bonds issued by the special purpose trust that it will
39 (A) enforce its rights to collect the compact assets sold to the
40 special purpose trust pursuant to this article, (B) not amend any

1 designated tribal compact or take any other action, that would in
2 any way diminish, limit, or impair the rights to receive compact
3 assets sold to the special purpose trust pursuant to this article, and
4 (C) not in any way impair the rights and remedies of bondholders
5 or the security for their bonds until, in each case, those bonds,
6 together with the interest thereon and costs and expenses in
7 connection with any action or proceeding on behalf of the
8 bondholders, are fully paid and discharged or otherwise provided
9 for pursuant to the terms of the indenture or trust agreement
10 pursuant to which those bonds are issued. The special purpose
11 trust may include these pledges and undertakings in its bonds.
12 Notwithstanding any other provision of this article, inherent police
13 powers that cannot be contracted away are reserved to the state.

14 (b) Bonds issued pursuant to this article shall not be deemed to
15 constitute a debt of the state nor a pledge of the faith or credit of
16 the state, and all bonds shall contain on the face of the bond a
17 statement to the effect that neither the faith and credit nor the taxing
18 power nor any other assets or revenues of the state or of any
19 political subdivision of the state other than the special purpose
20 trust, is or shall be pledged to the payment of the principal of or
21 the interest on the bonds.

22 (c) Whether or not the bonds are of a form and character as to
23 be negotiable instruments under the terms of the Uniform
24 Commercial Code, the bonds are hereby made negotiable
25 instruments for all purposes, subject only to the provisions of the
26 bonds for registration.

27 (d) The special purpose trust and the bank shall be treated as
28 public agencies for purposes of Chapter 9 (commencing with
29 Section 860) of Title 10 of Part 2 of the Code of Civil Procedure,
30 and any action or proceeding challenging the validity of any matter
31 authorized by this article shall be brought in accordance with, and
32 within the time specified in, that chapter.

33 (e) Notwithstanding any other provision of law, the exclusive
34 means to obtain review of a superior court judgment entered in an
35 action brought pursuant to Chapter 9 (commencing with Section
36 860) of Title 10 of Part 2 of the Code of Civil Procedure to
37 determine the validity of any bonds to be issued, any other contracts
38 to be entered into, or any other matters authorized by this article
39 shall be by petition to the Supreme Court for writ of review. Any
40 such petition shall be filed within 15 days following the notice of

entry of the superior court judgment, and no extension of that period shall be allowed. If no petition is filed within the time allowed for this purpose, or the petition is denied, with or without opinion, the decision of the superior court shall be final and enforceable as provided in subdivision (a) of Section 870 of the Code of Civil Procedure. In any case in which a petition has been filed within the time allowed, the Supreme Court shall make any orders as it may deem proper in the circumstances. If no answering party appeared in the superior court action, the only issues that may be raised in the petition are those related to the jurisdiction of the superior court. Nothing in this subdivision or subdivision (d) shall be construed as granting standing to challenge the designated tribal compacts.

SEC. 15. Section 63048.85 is added to the Government Code, to read:

63048.85. (a) The Legislature finds and declares that, because the proceeds from the sale of compact assets authorized by this article are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

(b) Compact assets shall not be deemed to be "State General Fund proceeds of taxes appropriated pursuant to Article XIII B" within the meaning of Section 8 of Article XVI of the California Constitution, Section 41202 of the Education Code, or any other provision of law.

(c) Compact assets are not General Fund revenues for the purposes of Section 8 of Article XVI of the California Constitution or any other provision of law.

SEC. 16. Section 43021 of the Health and Safety Code is repealed.

~~43021. (a) Except as provided in subdivision (b), the retirement, replacement, retrofit, or repower of a self-propelled commercial motor vehicle, as defined in Section 34601 of the Vehicle Code, shall not be required until the later of the following:~~

~~(1) Thirteen years from the model year the engine and emission control system are first certified for use in self-propelled commercial motor vehicles by the state board or other applicable state and federal agencies.~~

~~(2) When the vehicle reaches the earlier of either 800,000 vehicle miles traveled or 18 years from the model year the engine~~

1 and emission control system are first certified for use in
2 self-propelled commercial motor vehicles by the state board or
3 other applicable state and federal agencies.

4 (b) This section does not apply to any of the following:

5 (1) Safety programs, including, but not limited to, those adopted
6 pursuant to Section 34501 of the Vehicle Code.

7 (2) Voluntary incentive and grant programs, including, but not
8 limited to, those that give preferential access to a facility to a
9 particular vehicle or class of vehicles.

10 (3) Programs designed to address inspection of, tampering with,
11 and maintenance of, emission control systems.

12 (4) Programs designed to address imminent health risks where
13 evidence, unavailable at the time equipment is certified for use by
14 the state board or other applicable state and federal agencies, is
15 sufficient to show that immediate corrective action is necessary
16 to prevent injury, illness, or death.

17 (e) This section only applies to laws or regulations adopted or
18 amended after January 1, 2017.

19 (d) It is the intent of the Legislature for this section to provide
20 owners of self-propelled commercial motor vehicles, as defined
21 in subdivision (a), certainty about the useful life of engines certified
22 by the state board and other applicable agencies to meet required
23 environmental standards for sale in the state. This section is not
24 meant to otherwise restrict the authority of the state board or
25 districts.

26 (e) (1) The state board shall, by January 1, 2025, evaluate the
27 impact of the provisions of this section on state and local clean air
28 efforts to meet state and local clean air goals. The evaluation shall
29 include a review of the following:

30 (A) Compliance with the truck and bus rule (Section 2025 of
31 Title 13 of the California Code of Regulations).

32 (B) The benefits and impacts of measures enacted to improve
33 local air quality impacts from stationary sources.

34 (C) State implementation plan compliance.

35 (2) As part of the study, the state board shall make
36 recommendations to the Legislature on additional or different
37 mechanisms for achieving those goals while recognizing the
38 financial investments made by the effected entities. In developing
39 the study, the state board shall take into account the report required
40 in Section 38531 of the Health and Safety Code.

1 ~~(3) The state board shall hold at least one public workshop prior~~
2 ~~to the completion of the study.~~

3 SEC. 17. Section 99312.1 of the Public Utilities Code is
4 amended to read:

5 99312.1. (a) Revenues transferred to the Public Transportation
6 Account pursuant to Sections 6051.8 and 6201.8 of the Revenue
7 and Taxation Code ~~for the State Transit Assistance Program~~ are
8 hereby continuously appropriated to the Controller for allocation
9 as follows:

10 (1) Fifty percent for allocation to transportation planning
11 agencies, county transportation commissions, and the San Diego
12 Metropolitan Transit Development Board pursuant to Section
13 99314.

14 (2) Fifty percent for allocation to transportation agencies, county
15 transportation commissions, and the San Diego Metropolitan
16 Transit Development Board for purposes of Section 99313.

17 (b) For purposes of this chapter, the revenues allocated pursuant
18 to this section shall be subject to the same requirements as revenues
19 allocated pursuant to subdivisions (b) and (c), as applicable, of
20 Section 99312.

21 ~~(c) The revenues transferred to the Public Transportation~~
22 ~~Account for the State Transit Assistance Program that are~~
23 ~~attributable to subdivision (a) of Section 11053 of the Revenue~~
24 ~~and Taxation Code are hereby continuously appropriated to the~~
25 ~~Controller, and, upon allocation pursuant to Sections 99313 and~~
26 ~~99314, shall only be expended on the following:~~

27 ~~(1) Transit capital projects or services to maintain or repair a~~
28 ~~transit operator's existing transit vehicle fleet or existing transit~~
29 ~~facilities, including rehabilitation or modernization of existing~~
30 ~~vehicles or facilities.~~

31 ~~(2) The design, acquisition, and construction of new vehicles~~
32 ~~or facilities that improve existing transit services.~~

33 ~~(3) Transit services that complement local efforts for repair and~~
34 ~~improvement of local transportation infrastructure.~~

35 ~~(d) (1) Prior to receiving an apportionment of funds pursuant~~
36 ~~to subdivision (c) from the Controller in a fiscal year, a recipient~~
37 ~~transit agency shall submit to the Department of Transportation a~~
38 ~~list of projects proposed to be funded with these funds. The list of~~
39 ~~projects proposed to be funded with these funds shall include a~~
40 ~~description and location of each proposed project, a proposed~~

1 schedule for the project's completion, and the estimated useful life
2 of the improvement. The project list shall not limit the flexibility
3 of a recipient transit agency to fund projects in accordance with
4 local needs and priorities so long as the projects are consistent
5 with subdivision (c).

6 (2) The department shall report to the Controller the recipient
7 transit agencies that have submitted a list of projects as described
8 in this subdivision and that are therefore eligible to receive an
9 apportionment of funds for the applicable fiscal year. The
10 Controller, upon receipt of the report, shall apportion funds
11 pursuant to Sections 99313 and 99314.

12 (e) For each fiscal year, each recipient transit agency receiving
13 an apportionment of funds pursuant to subdivision (c) shall, upon
14 expending those funds, submit documentation to the department
15 that includes a description and location of each completed project,
16 the amount of funds expended on the project, the completion date,
17 and the estimated useful life of the improvement.

18 (f) The audit of transit operator finances required pursuant to
19 Section 99245 shall verify that the revenues identified in
20 subdivision (c) have been expended in conformance with these
21 specific requirements and all other generally applicable
22 requirements.

23 SEC. 18. Section 99312.3 of the Public Utilities Code is
24 repealed.

25 99312.3.— Revenues transferred to the Public Transportation
26 Account pursuant to paragraph (2) of subdivision (c) of Section
27 6051.8 and paragraph (2) of subdivision (c) of Section 6201.8 of
28 the Revenue and Taxation Code are hereby continuously
29 appropriated to the Transportation Agency for distribution in the
30 following manner:

31 (a) (1) Fifty percent of available annual revenues under this
32 section shall be allocated by the Transportation Agency to the
33 public agencies, including joint powers agencies, responsible for
34 state-supported intercity rail services. A minimum of 25 percent
35 of the funds available under this subdivision shall be allocated to
36 each of the state's three intercity rail corridors that provide
37 regularly scheduled intercity rail service.

38 (2) The Transportation Agency shall adopt guidelines governing
39 the administration of the funds available under this subdivision,

1 including provisions providing authority for loans of these funds
2 by mutual agreement between intercity rail service corridors.

3 (b) (1) Fifty percent of available annual revenues under this
4 section shall be allocated by the Transportation Agency to the
5 public agencies, including joint powers agencies, responsible for
6 commuter rail services. For the 2018–19 and 2019–20 fiscal years,
7 20 percent of the funds available under this subdivision shall be
8 allocated to each of the state’s five commuter rail service providers
9 that provide regularly scheduled commuter rail service.
10 Commencing July 1, 2020, the funds available under this
11 subdivision shall be allocated based on guidelines and a distribution
12 formula adopted by the Transportation Agency.

13 (2) On or before July 1, 2019, the Transportation Agency shall
14 prepare a draft of the proposed guidelines and distribution formula
15 and make them available for public comment. In preparing the
16 proposed guidelines and distribution formula, the agency shall
17 consult with the state’s five commuter rail service providers. The
18 final guidelines and distribution formula shall be adopted on or
19 before January 1, 2020. The guidelines shall include, but need not
20 be limited to, provisions providing authority for loans of these
21 funds by mutual agreement between commuter rail service
22 providers and providing for baseline allocations to each provider.

23 (c) The funds made available by this section may be used for
24 operations and capital improvements.

25 SEC. 19. Section 99312.4 of the Public Utilities Code is
26 repealed.

27 99312.4. Revenues transferred to the Public Transportation
28 Account pursuant to subdivision (a) of Section 11053 of the
29 Revenue and Taxation Code for the Transit and Intercity Rail
30 Capital Program (Part 2 (commencing with Section 75220) of
31 Division 44 of the Public Resources Code) shall be available for
32 appropriation to that program pursuant to the annual Budget Act.

33 SEC. 20. Section 99314.9 of the Public Utilities Code is
34 repealed.

35 99314.9. The Controller shall compute quarterly proposed
36 allocations for State Transit Assistance Program funds available
37 for allocation pursuant to Sections 99313 and 99314. The
38 Controller shall publish the allocations for each eligible recipient
39 agency, including one list applicable to revenues allocated pursuant
40 to subdivision (c) of Section 99312.1 and another list for revenues

1 ~~allocated from all other revenues in the Public Transportation~~
2 ~~Account that are designated for the State Transit Assistance~~
3 ~~Program.~~

4 SEC. 21. Section 6051.8 of the Revenue and Taxation Code
5 is amended to read:

6 6051.8. (a) Except as provided by Section 6357.3, in addition
7 to the taxes imposed by this part, for the privilege of selling
8 tangible personal property at retail a tax is hereby imposed upon
9 all retailers at the rate of 1.75 percent of the gross receipts of any
10 retailer from the sale of all diesel fuel, as defined in Section 60022.

11 ~~(b) Except as provided by Section 6357.3, in addition to the~~
12 ~~taxes imposed by this part and by subdivision (a), commencing~~
13 ~~November 1, 2017, for the privilege of selling tangible personal~~
14 ~~property at retail a tax is hereby imposed upon all retailers at the~~
15 ~~rate of 4 percent of the gross receipts of any retailer from the sale~~
16 ~~of all diesel fuel, as defined in Section 60022, sold at retail in this~~
17 ~~state.~~

18 ~~(c) (1)~~

19 ~~(b)~~ Notwithstanding subdivision (b) of Section 7102, ~~except~~
20 ~~as otherwise provided in paragraph (2), all of the revenues, less~~
21 ~~refunds, collected pursuant to this section shall be estimated by~~
22 ~~the State Board of Equalization, with the concurrence of the~~
23 ~~Department of Finance, and transferred quarterly to the Public~~
24 ~~Transportation Account in the State Transportation Fund for~~
25 ~~allocation under the State Transit Assistance Program pursuant to~~
26 ~~Section 99312.1 of the Public Utilities Code.~~

27 ~~(2) The revenues, less refunds, attributable to a rate of 0.5~~
28 ~~percent of the 4 percent increase in the rate pursuant to subdivision~~
29 ~~(b), amounting to one-eighth of revenues from the increase in the~~
30 ~~rate under that subdivision, shall be estimated by the State Board~~
31 ~~of Equalization, with the concurrence of the Department of Finance,~~
32 ~~and transferred quarterly to the Public Transportation Account in~~
33 ~~the State Transportation Fund for allocation by the Transportation~~
34 ~~Agency to intercity rail and commuter rail purposes pursuant to~~
35 ~~Section 99312.3 of the Public Utilities Code.~~

36 SEC. 22. Section 6201.8 of the Revenue and Taxation Code
37 is amended to read:

38 6201.8. (a) Except as provided by Section 6357.3, in addition
39 to the taxes imposed by this part, an excise tax is hereby imposed
40 on the storage, use, or other consumption in this state of diesel

fuel, as defined in Section 60022, at the rate of 1.75 percent of the sales price of the diesel fuel.

~~(b) Except as provided by Section 6357.3, in addition to the taxes imposed by this part and by subdivision (a), commencing November 1, 2017, an excise tax is hereby imposed on the storage, use, or other consumption in this state of diesel fuel, as defined in Section 60022, at the rate of 4 percent of the sales price of the diesel fuel.~~

~~(c) (1)~~

~~(b) Notwithstanding subdivision (b) of Section 7102, except as otherwise provided in paragraph (2), all of the revenues, less refunds, collected pursuant to this section shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation pursuant to Section 99312.1 of the Public Utilities Code.~~

~~(2) The revenues, less refunds, attributable to a rate of 0.5 percent of the 4 percent increase in the rate pursuant to subdivision (b), amounting to one-eighth of revenues from the increase in the rate under that subdivision, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation by the Transportation Agency to intercity rail and commuter rail purposes pursuant to Section 99312.3 of the Public Utilities Code.~~

SEC. 23. Section 7360 of the Revenue and Taxation Code is amended to read:

7360. (a) (1) A tax of eighteen cents (\$0.18) is hereby imposed upon each gallon of fuel subject to the tax in Sections 7362, 7363, and 7364.

(2) If the federal fuel tax is reduced below the rate of nine cents (\$0.09) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1), on and after the date of the reduction, shall be recalculated by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal twenty-seven cents (\$0.27).

1 (3) If any person or entity is exempt or partially exempt from
2 the federal fuel tax at the time of a reduction, the person or entity
3 shall continue to be so exempt under this section.

4 (b) (1) On and after July 1, 2010, in addition to the tax imposed
5 by subdivision (a), a tax is hereby imposed upon each gallon of
6 motor vehicle fuel, other than aviation gasoline, subject to the tax
7 in Sections 7362, 7363, and 7364 in an amount equal to seventeen
8 and three-tenths cents (\$0.173) per gallon.

9 (2) For the 2011–12 fiscal year and each fiscal year thereafter,
10 the board shall, on or before March 1 of the fiscal year immediately
11 preceding the applicable fiscal year, adjust the rate in paragraph
12 (1) in that manner as to generate an amount of revenue that will
13 equal the amount of revenue loss attributable to the exemption
14 provided by Section 6357.7, based on estimates made by the board,
15 and that rate shall be effective during the state's next fiscal year.

16 (3) In order to maintain revenue neutrality for each year,
17 beginning with the rate adjustment on or before March 1, 2012,
18 the adjustment under paragraph (2) shall also take into account the
19 extent to which the actual amount of revenues derived pursuant to
20 this subdivision and, as applicable, Section 7361.1, the revenue
21 loss attributable to the exemption provided by Section 6357.7
22 resulted in a net revenue gain or loss for the fiscal year ending
23 prior to the rate adjustment date on or before March 1.

24 (4) The intent of paragraphs (2) and (3) is to ensure that the act
25 adding this subdivision and Section 6357.7 does not produce a net
26 revenue gain in state taxes.

27 ~~(5) Commencing July 1, 2019, the adjustments in paragraphs~~
28 ~~(2) and (3) shall cease, and the rate imposed by this subdivision~~
29 ~~shall be the rate in paragraph (1).~~

30 ~~(c) On and after November 1, 2017, in addition to the taxes~~
31 ~~imposed by subdivisions (a) and (b), a tax is hereby imposed upon~~
32 ~~each gallon of motor vehicle fuel, other than aviation gasoline,~~
33 ~~subject to the tax in Sections 7362, 7363, and 7364, in an amount~~
34 ~~equal to twelve cents (\$0.12) per gallon.~~

35 ~~(d) On July 1, 2020, and every July 1 thereafter, the board shall~~
36 ~~adjust the taxes imposed by subdivisions (a), (b), and (c), with the~~
37 ~~adjustment to apply to both to the base tax rates specified in those~~
38 ~~provisions and to any previous adjustment in rates made pursuant~~
39 ~~to this subdivision, by increasing the taxes by a percentage amount~~
40 ~~equal to the increase in the California Consumer Price Index, as~~

1 calculated by the Department of Finance with the resulting taxes
2 rounded to the nearest one-tenth of one cent (\$0.01). The first
3 adjustment pursuant to this subdivision shall be a percentage
4 amount equal to the increase in the California Consumer Price
5 Index from November 1, 2017, to November 1, 2019. Subsequent
6 annual adjustments shall cover subsequent 12 month periods. The
7 incremental change shall be added to the associated rate for that
8 year.

9 (e) ~~Any increases to the taxes imposed under subdivisions (a),~~
10 ~~(b), and (c) that are enacted by legislation subsequent to July 1,~~
11 ~~2017, shall be deemed to be changes to the base tax rates for~~
12 ~~purposes of the California Consumer Price Index calculation and~~
13 ~~adjustment performed pursuant to subdivision (d).~~

14 SEC. 24. Section 7361.2 of the Revenue and Taxation Code
15 is repealed.

16 7361.2. (a) ~~For the privilege of storing, for the purpose of sale,~~
17 ~~each supplier, wholesaler, and retailer owning 1,000 or more~~
18 ~~gallons of tax-paid motor vehicle fuel on November 1, 2017, shall~~
19 ~~pay a storage tax, the rate of which shall be determined by the~~
20 ~~board pursuant to the difference in the rate of the tax on motor~~
21 ~~vehicle fuel in effect on October 31, 2017, and the rate in effect~~
22 ~~on November 1, 2017, on tax-paid motor vehicle fuel in storage~~
23 ~~according to the volumetric measure thereof.~~

24 (b) ~~For purposes of this section:~~

25 (1) ~~“Owning” means having title to the motor vehicle fuel.~~

26 (2) ~~“Retailer” means any person who sells motor vehicle fuel~~
27 ~~in this state to a person who subsequently uses the motor vehicle~~
28 ~~fuel.~~

29 (3) ~~“Storing” includes the ownership or possession of tax-paid~~
30 ~~motor vehicle fuel outside of the bulk transfer/terminal system,~~
31 ~~including the holding of tax-paid motor vehicle fuel for sale at~~
32 ~~wholesale or retail locations stored in a container of any kind,~~
33 ~~including railroad tank cars and trucks or trailer cargo tanks.~~
34 ~~“Storing” also includes tax-paid motor vehicle fuel purchased from~~
35 ~~and invoiced by the seller, and tax-paid motor vehicle fuel removed~~
36 ~~from a terminal or entered into by a supplier, prior to the date~~
37 ~~specified in subdivision (a) and in transit on that date.~~

38 (4) ~~“Wholesaler” means any person who sells diesel fuel in this~~
39 ~~state for resale to a retailer or to a person who is not a retailer and~~
40 ~~subsequently uses the motor vehicle fuel.~~

1 SEC. 25. Section 7653.2 of the Revenue and Taxation Code
2 is repealed.

3 ~~7653.2. On or before January 1, 2018, each person subject to~~
4 ~~the storage tax imposed under Section 7361.2 shall prepare and~~
5 ~~file with the board, in a form prescribed by the board, a return~~
6 ~~showing the total number of gallons of tax-paid motor vehicle fuel~~
7 ~~owned by the person on November 1, 2017, the amount of the~~
8 ~~storage tax, and any other information that the board deems~~
9 ~~necessary for the proper administration of this part. The return~~
10 ~~shall be accompanied by a remittance payable to the board in the~~
11 ~~amount of tax due.~~

12 SEC. 26. Section 8352.4 of the Revenue and Taxation Code
13 is amended to read:

14 8352.4. (a) Subject to Sections 8352 and 8352.1, and except
15 as otherwise provided in subdivision (b), there shall be transferred
16 from the money deposited to the credit of the Motor Vehicle Fuel
17 Account to the Harbors and Watercraft Revolving Fund, for
18 expenditure in accordance with Division 1 (commencing with
19 Section 30) of the Harbors and Navigation Code, the sum of six
20 million six hundred thousand dollars (\$6,600,000) per annum,
21 representing the amount of money in the Motor Vehicle Fuel
22 Account attributable to taxes imposed on distributions of motor
23 vehicle fuel used or usable in propelling vessels. The actual amount
24 shall be calculated using the annual reports of registered boats
25 prepared by the Department of Motor Vehicles for the United
26 States Coast Guard and the formula and method of the December
27 1972 report prepared for this purpose and submitted to the
28 Legislature on December 26, 1972, by the Director of
29 Transportation. If the amount transferred during each fiscal year
30 is in excess of the calculated amount, the excess shall be
31 retransferred from the Harbors and Watercraft Revolving Fund to
32 the Motor Vehicle Fuel Account. If the amount transferred is less
33 than the amount calculated, the difference shall be transferred from
34 the Motor Vehicle Fuel Account to the Harbors and Watercraft
35 Revolving Fund. No adjustment shall be made if the computed
36 difference is less than fifty thousand dollars (\$50,000), and the
37 amount shall be adjusted to reflect any temporary or permanent
38 increase or decrease that may be made in the rate under the Motor
39 Vehicle Fuel Tax Law. Payments pursuant to this section shall be
40 made prior to payments pursuant to Section 8352.2.

1 (b) ~~(4)~~—Commencing July 1, 2012, the revenues attributable to
2 the taxes imposed pursuant to subdivision (b) of Section 7360 and
3 *Section 7361.1* and otherwise to be deposited in the Harbors and
4 Watercraft Revolving Fund pursuant to subdivision (a) shall instead
5 be transferred to the General Fund.

6 ~~(2) Commencing November 1, 2017, the revenues attributable~~
7 ~~to the taxes imposed pursuant to subdivision (c) of Section 7360,~~
8 ~~any adjustment pursuant to subdivision (d) of Section 7360, and~~
9 ~~Section 7361.2, and otherwise to be deposited in the Harbors and~~
10 ~~Watercraft Revolving Fund pursuant to subdivision (a), shall~~
11 ~~instead be transferred to the State Parks and Recreation Fund to~~
12 ~~be used for state parks, off-highway vehicle programs, or boating~~
13 ~~programs.~~

14 SEC. 27. Section 8352.5 of the Revenue and Taxation Code
15 is amended to read:

16 8352.5. (a) (1) Subject to Sections 8352 and 8352.1, and
17 except as otherwise provided in ~~paragraph (1) of~~ subdivision (b),
18 there shall be transferred from the money deposited to the credit
19 of the Motor Vehicle Fuel Account to the Department of Food and
20 Agriculture Fund, during the second quarter of each fiscal year,
21 an amount equal to the estimate contained in the most recent report
22 prepared pursuant to this section.

23 (2) The amounts are not subject to Section 6357 with respect
24 to the collection of sales and use taxes thereon, and represent the
25 portion of receipts in the Motor Vehicle Fuel Account during a
26 calendar year that were attributable to agricultural off-highway
27 use of motor vehicle fuel which is subject to refund pursuant to
28 Section 8101, less gross refunds allowed by the Controller during
29 the fiscal year ending June 30 following the calendar year to
30 persons entitled to refunds for agricultural off-highway use
31 pursuant to Section 8101. Payments pursuant to this section shall
32 be made prior to payments pursuant to Section 8352.2.

33 (b) ~~(4)~~—Commencing July 1, 2012, the revenues attributable to
34 the taxes imposed pursuant to subdivision (b) of Section 7360 and
35 *Section 7361.1* and otherwise to be deposited in the Department
36 of Food and Agriculture Fund pursuant to subdivision (a) shall
37 instead be transferred to the General Fund.

38 ~~(2) Commencing November 1, 2017, the revenues attributable~~
39 ~~to the taxes imposed pursuant to subdivision (c) of Section 7360,~~
40 ~~as adjusted pursuant to subdivision (d) of Section 7360, and Section~~

1 ~~7361.2 shall be deposited in the Department of Food and~~
2 ~~Agriculture Fund.~~

3 (c) On or before September 30, 2012, and on or before
4 September 30 of each even-numbered year thereafter, the Director
5 of Transportation and the Director of Food and Agriculture shall
6 jointly prepare, or cause to be prepared, a report setting forth the
7 current estimate of the amount of money in the Motor Vehicle
8 Fuel Account attributable to agricultural off-highway use of motor
9 vehicle fuel, which is subject to refund pursuant to Section 8101
10 less gross refunds allowed by the Controller to persons entitled to
11 refunds for agricultural off-highway use pursuant to Section 8101;
12 and they shall submit a copy of the report to the Legislature.

13 SEC. 28. Section 8352.6 of the Revenue and Taxation Code
14 is amended to read:

15 8352.6. (a) (1) Subject to Section 8352.1, and except as
16 otherwise provided in paragraphs (2) and (3), on the first day of
17 every month, there shall be transferred from moneys deposited to
18 the credit of the Motor Vehicle Fuel Account to the Off-Highway
19 Vehicle Trust Fund created by Section 38225 of the Vehicle Code
20 an amount attributable to taxes imposed upon distributions of motor
21 vehicle fuel used in the operation of motor vehicles off highway
22 and for which a refund has not been claimed. Transfers made
23 pursuant to this section shall be made prior to transfers pursuant
24 to Section 8352.2.

25 (2) ~~(A)~~ Commencing July 1, 2012, the revenues attributable to
26 the taxes imposed pursuant to subdivision (b) of Section 7360 and
27 *Section 7361.1* and otherwise to be deposited in the Off-Highway
28 Vehicle Trust Fund pursuant to paragraph (1) shall instead be
29 transferred to the General Fund.

30 ~~(B)~~ Commencing November 1, 2017, the revenues attributable
31 to the taxes imposed pursuant to subdivision (c) of Section 7360,
32 any adjustment pursuant to subdivision (d) of Section 7360, and
33 Section 7361.2, and otherwise to be deposited in the Off-Highway
34 Vehicle Trust Fund pursuant to subdivision (a), shall instead be
35 transferred to the State Parks and Recreation Fund to be used for
36 state parks, off-highway vehicle programs, or boating programs.

37 (3) The Controller shall withhold eight hundred thirty-three
38 thousand dollars (\$833,000) from the monthly transfer to the
39 Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and
40 transfer that amount to the General Fund.

(b) The amount transferred to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) of subdivision (a), as a percentage of the Motor Vehicle Fuel Account, shall be equal to the percentage transferred in the 2006–07 fiscal year. Every five years, starting in the 2013–14 fiscal year, the percentage transferred may be adjusted by the Department of Transportation in cooperation with the Department of Parks and Recreation and the Department of Motor Vehicles. Adjustments shall be based on, but not limited to, the changes in the following factors since the 2006–07 fiscal year or the last adjustment, whichever is more recent:

(1) The number of vehicles registered as off-highway motor vehicles as required by Division 16.5 (commencing with Section 38000) of the Vehicle Code.

(2) The number of registered street-legal vehicles that are anticipated to be used off highway, including four-wheel drive vehicles, all-wheel drive vehicles, and dual-sport motorcycles.

(3) Attendance at the state vehicular recreation areas.

(4) Off-highway recreation use on federal lands as indicated by the United States Forest Service’s National Visitor Use Monitoring and the United States Bureau of Land Management’s Recreation Management Information System.

(c) It is the intent of the Legislature that transfers from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund should reflect the full range of motorized vehicle use off highway for both motorized recreation and motorized off-road access to other recreation opportunities. Therefore, the Legislature finds that the fuel tax baseline established in subdivision (b), attributable to off-highway estimates of use as of the 2006–07 fiscal year, accounts for the three categories of vehicles that have been found over the years to be users of fuel for off-highway motorized recreation or motorized access to nonmotorized recreational pursuits. These three categories are registered off-highway motorized vehicles, registered street-legal motorized vehicles used off highway, and unregistered off-highway motorized vehicles.

(d) It is the intent of the Legislature that the off-highway motor vehicle recreational use to be determined by the Department of Transportation pursuant to paragraph (2) of subdivision (b) be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use

1 of vehicles registered under Division 16.5 (commencing with
2 Section 38000) of the Vehicle Code may occur.

3 (e) In the 2014–15 fiscal year, the Department of Transportation,
4 in consultation with the Department of Parks and Recreation and
5 the Department of Motor Vehicles, shall undertake a study to
6 determine the appropriate adjustment to the amount transferred
7 pursuant to subdivision (b) and to update the estimate of the amount
8 attributable to taxes imposed upon distributions of motor vehicle
9 fuel used in the operation of motor vehicles off highway and for
10 which a refund has not been claimed. The department shall provide
11 a copy of this study to the Legislature no later than January 1,
12 2016.

13 SEC. 29. Chapter 6 (commencing with Section 11050) of Part
14 5 of Division 2 of the Revenue and Taxation Code is repealed.

15 SEC. 30. Section 60050 of the Revenue and Taxation Code is
16 amended to read:

17 60050. (a) (1) A tax of ~~sixteen~~ *eighteen* cents ~~(\$0.16)~~ *(\$0.18)*
18 is hereby imposed upon each gallon of diesel fuel subject to the
19 tax in Sections 60051, 60052, and 60058.

20 (2) If the federal fuel tax is reduced below the rate of fifteen
21 cents (\$0.15) per gallon and federal financial allocations to this
22 state for highway and exclusive public mass transit guideway
23 purposes are reduced or eliminated correspondingly, the tax rate
24 imposed by paragraph ~~(1)~~ *(1)*, *including any reduction or*
25 *adjustment pursuant to subdivision (b), on and after the date of*
26 *the reduction*, shall be increased by an amount so that the combined
27 state rate under paragraph (1) and the federal tax rate per gallon
28 equal what it would have been in the absence of the federal
29 reduction.

30 (3) If any person or entity is exempt or partially exempt from
31 the federal fuel tax at the time of a reduction, the person or entity
32 shall continue to be exempt under this section.

33 ~~(b) On and after November 1, 2017, in addition to the tax~~
34 ~~imposed pursuant to subdivision (a), an additional tax of twenty~~
35 ~~cents (\$0.20) is hereby imposed upon each gallon of diesel fuel~~
36 ~~subject to the tax in Sections 60051, 60052, and 60058.~~

37 ~~(c) On July 1, 2020, and every July 1 thereafter, the State Board~~
38 ~~of Equalization shall adjust the taxes imposed by subdivisions (a),~~
39 ~~and (b), with the adjustment to apply to both to the base tax rates~~
40 ~~specified in those provisions and to any previous adjustment in~~

1 rates made pursuant to this subdivision, by increasing the taxes by
2 a percentage amount equal to the increase in the California
3 Consumer Price Index, as calculated by the Department of Finance
4 with the resulting taxes rounded to the nearest one-tenth of one
5 cent (\$0.01). The first adjustment pursuant to this subdivision shall
6 be a percentage amount equal to the increase in the California
7 Consumer Price Index from November 1, 2017, to November 1,
8 2019. Subsequent annual adjustments shall cover subsequent 12
9 month periods. The incremental change shall be added to the
10 associated rate for that year.

11 (d) ~~Any changes to the taxes imposed under this section that~~
12 ~~are enacted by legislation subsequent to July 1, 2017, shall be~~
13 ~~deemed to be changes to the base tax rates for purposes of the~~
14 ~~California Consumer Price Index calculation and adjustment~~
15 ~~performed pursuant to paragraph (1).~~

16 (b) (1) *On July 1, 2011, the tax rate specified in paragraph (1)*
17 *of subdivision (a) shall be reduced to thirteen cents (\$0.13) and*
18 *every July 1 thereafter shall be adjusted pursuant to paragraphs*
19 *(2) and (3).*

20 (2) *For the 2012–13 fiscal year and each fiscal year thereafter,*
21 *the board shall, on or before March 1 of the fiscal year immediately*
22 *preceding the applicable fiscal year, adjust the rate reduction in*
23 *paragraph (1) in that manner as to result in a revenue loss*
24 *attributable to paragraph (1) that will equal the amount of revenue*
25 *gain attributable to Sections 6051.8 and 6201.8, based on estimates*
26 *made by the board, and that rate shall be effective during the*
27 *state's next fiscal year.*

28 (3) *In order to maintain revenue neutrality for each year,*
29 *beginning with the rate adjustment on or before March 1, 2013,*
30 *the adjustment under paragraph (2) shall take into account the*
31 *extent to which the actual amount of revenues derived pursuant*
32 *to Sections 6051.8 and 6201.8 and the revenue loss attributable*
33 *to this subdivision resulted in a net revenue gain or loss for the*
34 *fiscal year ending prior to the rate adjustment date on or before*
35 *March 1.*

36 (4) *The intent of paragraphs (2) and (3) is to ensure that the*
37 *act adding this subdivision and Sections 6051.8 and 6201.8 does*
38 *not produce a net revenue gain in state taxes.*

39 SEC. 31. Section 60050.2 of the Revenue and Taxation Code
40 is repealed.

1 ~~60050.2.— (a) For the privilege of storing, for the purpose of~~
2 ~~sale, each supplier, wholesaler, and retailer owning 1,000 or more~~
3 ~~gallons of tax-paid diesel fuel on November 1, 2017, shall pay a~~
4 ~~storage tax of twenty cents (\$0.20) per gallon of tax-paid diesel~~
5 ~~fuel in storage according to the volumetric measure thereof.~~

6 ~~(b) For purposes of this section:~~

7 ~~(1) “Owning” means having title to the diesel fuel.~~

8 ~~(2) “Retailer” means any person who sells diesel fuel in this~~
9 ~~state to a person who subsequently uses the diesel fuel.~~

10 ~~(3) “Storing” includes the ownership or possession of tax-paid~~
11 ~~diesel fuel outside of the bulk transfer/terminal system, including~~
12 ~~the holding of tax-paid diesel fuel for sale at wholesale or retail~~
13 ~~locations stored in a container of any kind, including railroad tank~~
14 ~~cars and trucks or trailer cargo tanks. “Storing” also includes~~
15 ~~tax-paid diesel fuel purchased from and invoiced by the seller, and~~
16 ~~tax-paid diesel fuel removed from a terminal or entered into by a~~
17 ~~supplier, prior to the date specified in subdivision (a) and in transit~~
18 ~~on that date.~~

19 ~~(4) “Wholesaler” means any person who sells diesel fuel in this~~
20 ~~state for resale to a retailer or to a person who is not a retailer and~~
21 ~~subsequently uses the diesel fuel.~~

22 ~~SEC. 32. Section 60201.4 of the Revenue and Taxation Code~~
23 ~~is repealed.~~

24 ~~60201.4.— On or before January 1, 2018, each person subject to~~
25 ~~the storage tax imposed under Section 60050.2 shall prepare and~~
26 ~~file with the board, in a form prescribed by the board, a return~~
27 ~~showing the total number of gallons of tax-paid diesel fuel owned~~
28 ~~by the person on November 1, 2017, the amount of the storage~~
29 ~~tax, and any other information that the board deems necessary for~~
30 ~~the proper administration of this part. The return shall be~~
31 ~~accompanied by a remittance payable to the board in the amount~~
32 ~~of tax due.~~

33 ~~SEC. 33. Article 2.5 (commencing with Section 800) of Chapter~~
34 ~~4 of Division 1 of the Streets and Highways Code is repealed.~~

35 ~~SEC. 34. Chapter 2 (commencing with Section 2030) of~~
36 ~~Division 3 of the Streets and Highways Code is repealed.~~

37 ~~SEC. 35. Section 2103.1 of the Streets and Highways Code is~~
38 ~~repealed.~~

39 ~~2103.1.— (a) Notwithstanding subdivision (b) of Section 2103,~~
40 ~~the portion of revenues in the Highway Users Tax Account~~

1 attributable to the increases in the motor vehicle fuel excise tax
2 pursuant to subdivision (c) of Section 7360 of the Revenue and
3 Taxation Code, as adjusted pursuant to subdivision (d) of that
4 section, shall be transferred to the Road Maintenance and
5 Rehabilitation Account pursuant to Section 2031.

6 (b) ~~Notwithstanding subdivision (b) of Section 2103, the portion~~
7 ~~of revenues in the Highway Users Tax Account attributable to the~~
8 ~~increase in the diesel fuel excise tax pursuant to subdivision (b)~~
9 ~~of Section 60050 of the Revenue and Taxation Code, as adjusted~~
10 ~~pursuant to subdivision (c) of that section, shall be transferred as~~
11 ~~follows:~~

12 (1) ~~Fifty percent to the Trade Corridors Enhancement Account~~
13 ~~pursuant to Section 2192.4.~~

14 (2) ~~Fifty percent to the Road Maintenance and Rehabilitation~~
15 ~~Account pursuant to Section 2031.~~

16 (c) ~~Notwithstanding subdivision (b) of Section 2103, the portion~~
17 ~~of the revenues in the Highway Users Tax Account attributable to~~
18 ~~the storage taxes imposed pursuant to Sections 7361.2 and 60050.2~~
19 ~~of the Revenue and Taxation Code shall be deposited in the Road~~
20 ~~Maintenance and Rehabilitation Account created pursuant to~~
21 ~~Section 2031.~~

22 SEC. 36. Section 2104 of the Streets and Highways Code is
23 amended to read:

24 2104. Notwithstanding Section 13340 of the Government Code,
25 a sum equal to the net revenue derived from ~~11.3 percent of the~~ *a*
26 ~~per gallon tax of 2.035 cents (\$0.02035)~~ under the Motor Vehicle
27 Fuel License Tax Law (Part 2 (commencing with Section 7301)
28 of Division 2), 1.80 cents (\$0.0180) under the Use Fuel Tax Law
29 (Part 3 (commencing with Section 8601) of Division 2), and ~~11.5~~
30 ~~percent of the per gallon tax 1.80 cents (\$0.0180)~~ under the Diesel
31 Fuel Tax Law (Part 31 (commencing with Section 60001) of
32 Division 2) of the Revenue and Taxation Code, shall be
33 apportioned among the counties, as follows:

34 (a) Each county shall be paid one thousand six hundred
35 sixty-seven dollars (\$1,667) during each calendar month, which
36 amount shall be expended exclusively for engineering costs and
37 administrative expenses with respect to county roads.

38 (b) A sum equal to the total of all reimbursable snow removal
39 or snow grooming, or both, costs filed pursuant to subdivision (d)
40 of Section 2152, or seven million dollars (\$7,000,000), whichever

1 is less, shall be apportioned in 12 approximately equal monthly
2 apportionments for snow removal or snow grooming, or both, on
3 county roads, as provided in Section 2110.

4 (c) A sum equal to five hundred thousand dollars (\$500,000)
5 shall be apportioned in 12 approximately equal monthly
6 apportionments, as provided in Section 2110.5.

7 (d) (1) Seventy-five percent of the funds payable under this
8 section shall be apportioned among the counties monthly in the
9 respective proportions that the number of fee-paid and exempt
10 vehicles which are registered in each county bears to the total
11 number of fee-paid and exempt vehicles registered in the state.

12 (2) For purposes of apportionment under this subdivision, the
13 Department of Motor Vehicles shall, as soon as possible after the
14 last day of each calendar month, furnish to the Controller a verified
15 statement showing the number of fee-paid and exempt vehicles
16 which are registered in each county and in the state as of the last
17 day of each calendar month as reflected by the records of the
18 Department of Motor Vehicles.

19 (e) Of the remaining money payable, there shall be paid to each
20 eligible county an amount that is computed monthly as follows:
21 The number of miles of maintained county roads in each county
22 shall be multiplied by sixty dollars (\$60); from the resultant
23 amount, there shall be deducted the amount received by each
24 county under subdivision (d) and the remainder, if any, shall be
25 paid to each county.

26 (f) The remaining money payable, after the foregoing
27 apportionments, shall be apportioned among the counties in the
28 same proportion as the money referred to in subdivision (d).

29 (g) (1) Transfers of revenues from the Highway Users Tax
30 Account to counties pursuant to this section collected during the
31 months of March, April, May, June, and July of 2008, shall be
32 made with the transfer of August 2008 revenues in September of
33 2008. This suspension shall not apply to a county with a population
34 of less than 40,000.

35 (2) For the purpose of meeting the cash obligations associated
36 with ongoing budgeted costs, a county may make use of any cash
37 balance in its county road fund, including that resulting from the
38 receipt of funds pursuant to the Highway Safety, Traffic Reduction,
39 Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49
40 (commencing with Section 8879.20) of Division 1 of Title 2 of

the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(h) (1) The transfer of revenues from the Highway Users Tax Account to counties pursuant to this section that are collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance during the period of this suspension, provided the cash is replaced once this suspension is repaid in May of 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 37. Section 2105 of the Streets and Highways Code is amended to read:

2105. Notwithstanding Section 13340 of the Government Code, in addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7360 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 60050 and 60115 of the Revenue and Taxation Code, the following apportionments shall be made:

(a) A sum equal to ~~5.8 percent of the 1.035 cents (\$0.01035)~~ per gallon ~~from the~~ tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and ~~6.5 percent of the 1.035 cents (\$0.01035)~~ per gallon ~~from the~~ tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to ~~5.8 percent of the 1.035 cents (\$0.01035)~~ per gallon ~~from the~~ tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and ~~6.5 percent of the 1.035 cents (\$0.01035)~~ per gallon ~~from the~~ tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008,

1 shall be made with the transfer of August 2008 revenues in
2 September of 2008. This suspension shall not apply to a county
3 with a population of less than 40,000.

4 (2) For the purpose of meeting the cash obligations associated
5 with ongoing budgeted costs, a city or county may make use of
6 any cash balance in the city account that is designated for the
7 receipt of state funds allocated for local streets and roads or the
8 county road fund, including that resulting from the receipt of funds
9 pursuant to the Highway Safety, Traffic Reduction, Air Quality,
10 and Port Security Bond Act of 2006 (Chapter 12.49 (commencing
11 with Section 8879.20) of Division 1 of Title 2 of the Government
12 Code (hereafter bond act)) for local streets and roads maintenance,
13 during the period of this suspension, without the use of this cash
14 being reflected as an expenditure of bond act funds, provided the
15 cash is replaced once this suspension is repaid in September of
16 2008. Counties and cities may accrue the revenue received in
17 September 2008 as repayment of these suspensions for the months
18 of April, May, and June of 2008 back to the 2007–08 fiscal year.
19 Nothing in this paragraph shall change the fact that expenditures
20 must be accrued and reflected from the appropriate funding sources
21 for which the moneys were received and meet all the requirements
22 of those funding sources.

23 (d) (1) The transfer of revenues from the Highway Users Tax
24 Account to counties or cities pursuant to this section collected
25 during the months of January, February, and March 2009 shall be
26 made with the transfer of April 2009 revenues in May 2009.

27 (2) For the purpose of meeting the cash obligations associated
28 with ongoing budgeted costs, a city or county may make use of
29 any cash balance in the city account that is designated for the
30 receipt of state funds allocated for local streets and roads or the
31 county road fund, including that resulting from the receipt of funds
32 pursuant to the Highway Safety, Traffic Reduction, Air Quality,
33 and Port Security Bond Act of 2006 (Chapter 12.49 (commencing
34 with Section 8879.20) of Division 1 of Title 2 of the Government
35 Code (bond act)) for local streets and roads maintenance, during
36 the period of this suspension, and the use of this cash shall not be
37 considered as an expenditure of bond act funds, if the cash is
38 replaced when the payments that are suspended pursuant to this
39 subdivision are repaid in May 2009.

1 (3) This subdivision shall not affect any requirement that an
2 expenditure is required to be accrued and reflected from the
3 appropriate funding source for which the money was received and
4 to meet all the requirements of its funding source.

5 SEC. 38. Section 2106 of the Streets and Highways Code is
6 amended to read:

7 2106. Notwithstanding Section 13340 of the Government Code,
8 a sum equal to the net revenue derived from ~~5.3 percent of the one~~
9 ~~and four one-hundredths cent (\$0.0104)~~ per gallon tax under the
10 Motor Vehicle Fuel License Tax Law (Part 2 (commencing with
11 Section 7301) of Division 2 of the Revenue and Taxation Code)
12 shall be apportioned monthly from the Highway Users Tax Account
13 in the Transportation Tax Fund among the counties and cities as
14 follows:

15 (a) Four hundred dollars (\$400) per month shall be apportioned
16 to each city and city and county and eight hundred dollars (\$800)
17 per month shall be apportioned to each county and city and county.

18 (b) On the last day of each month, the sum of six hundred
19 thousand dollars (\$600,000) shall be transferred to the State
20 Highway Account in the State Transportation Fund for the Active
21 Transportation Program pursuant to Chapter 8 (commencing with
22 Section 2380). For each month in the 2013–14 fiscal year that has
23 passed prior to the enactment of the bill adding this sentence, six
24 hundred thousand dollars (\$600,000) shall be immediately
25 transferred from the Bicycle Transportation Account to the State
26 Highway Account in the State Transportation Fund for the Active
27 Transportation Program, less any amount already expended for
28 that program from the Bicycle Transportation Account during the
29 2013–14 fiscal year.

30 (c) The balance shall be apportioned, as follows:

31 (1) A base sum shall be computed for each county by using the
32 same proportions of fee-paid and exempt vehicles as are established
33 for purposes of apportionment of funds under subdivision (d) of
34 Section 2104.

35 (2) For each county, the percentage of the total assessed
36 valuation of tangible property subject to local tax levies within the
37 county which is represented by the assessed valuation of tangible
38 property outside the incorporated cities of the county shall be
39 applied to its base sum, and the resulting amount shall be
40 apportioned to the county. The assessed valuation of taxable

tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(e) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected

1 during the months of January, February, and March 2009, shall be
2 made with the transfer of April 2009 revenues in May 2009.

3 (2) For the purpose of meeting the cash obligations associated
4 with ongoing budgeted costs, a city or county may make use of
5 any cash balance in the city account that is designated for the
6 receipt of state funds allocated for local streets and roads or the
7 county road fund, including that resulting from the receipt of funds
8 pursuant to the Highway Safety, Traffic Reduction, Air Quality,
9 and Port Security Bond Act of 2006 (Chapter 12.49 (commencing
10 with Section 8879.20) of Division 1 of Title 2 of the Government
11 Code (bond act)) for local streets and roads maintenance, during
12 the period of this suspension, and the use of this cash shall not be
13 considered as an expenditure of bond act funds, if the cash is
14 replaced when the payments that are suspended pursuant to this
15 subdivision are repaid in May 2009.

16 (3) This subdivision shall not affect any requirement that an
17 expenditure is required to be accrued and reflected from the
18 appropriate funding source for which the money was received and
19 to meet all the requirements of its funding source.

20 SEC. 39. Section 2107 of the Streets and Highways Code is
21 amended to read:

22 2107. (a) Notwithstanding Section 13340 of the Government
23 Code, a sum equal to the net revenues derived from ~~7.3 percent of~~
24 ~~the~~ *a per gallon tax of 1.315 cents (\$0.01315)* under the Motor
25 Vehicle Fuel License Tax Law (Part 2 (commencing with Section
26 7301) of Division 2), 2.59 cents (\$0.0259) under the Use Fuel Tax
27 Law (Part 3 (commencing with Section 8601) of Division 2), and
28 ~~11.5 percent~~ *1.80 cents (\$0.0180)* under the Diesel Fuel Tax Law
29 (Part 31 (commencing with Section 60001) of Division 2) of the
30 Revenue and Taxation Code, shall be apportioned monthly to the
31 cities and cities and counties of this state from the Highway Users
32 Tax Account in the Transportation Tax Fund as provided in this
33 section.

34 (b) From the sum determined pursuant to subdivision (a), the
35 Controller shall allocate annually to each city that has filed a report
36 containing the information prescribed by subdivision (c) of Section
37 2152, and that had expenditures in excess of five thousand dollars
38 (\$5,000) during the preceding fiscal year for snow removal, an
39 amount equal to one-half of the amount of its expenditures for

1 snow removal in excess of five thousand dollars (\$5,000) during
2 that fiscal year.

3 (c) The balance of the sum determined pursuant to subdivision
4 (a) from the Highway Users Tax Account shall be allocated to
5 each city, including city and county, in the proportion that the total
6 population of the city bears to the total population of all the cities
7 in this state.

8 (d) (1) For the purpose of this section, except as otherwise
9 provided in paragraph (2), the population in each city is the
10 population determined for that city in the manner specified in
11 Section 11005.3 of the Revenue and Taxation Code.

12 (2) Commencing with the ninth fiscal year of a city described
13 in subdivision (a) of Section 11005.3 of the Revenue and Taxation
14 Code, the sixth fiscal year of a city described in subdivision (b) of
15 Section 11005.3 of the Revenue and Taxation Code, and the 61st
16 month of the city described in subdivision (c) of Section 11005.3
17 of the Revenue and Taxation Code, the population in each city is
18 the actual population of that city, as defined in subdivision (e) of
19 Section 11005.3 of the Revenue and Taxation Code.

20 (e) (1) Transfers of revenues from the Highway Users Tax
21 Account to cities pursuant to this section collected during the
22 months of March, April, May, June, and July of 2008, shall be
23 made with the transfer of August 2008 revenues in September of
24 2008.

25 (2) For the purpose of meeting the cash obligations associated
26 with ongoing budgeted costs, a city may make use of any cash
27 balance in the city account that is designated for the receipt of state
28 funds allocated for local streets and roads, including that resulting
29 from the receipt of funds pursuant to the Highway Safety, Traffic
30 Reduction, Air Quality, and Port Security Bond Act of 2006
31 (Chapter 12.49 (commencing with Section 8879.20) of Division
32 1 of Title 2 of the Government Code (hereafter bond act)) for local
33 streets and roads maintenance, during the period of this suspension,
34 without the use of this cash being reflected as an expenditure of
35 bond act funds, provided the cash is replaced once this suspension
36 is repaid in September of 2008. Cities may accrue the revenue
37 received in September 2008 as repayment of these suspensions for
38 the months of April, May, and June of 2008 back to the 2007–08
39 fiscal year. Nothing in this paragraph shall change the fact that
40 expenditures must be accrued and reflected from the appropriate

1 funding sources for which the moneys were received and meet all
2 the requirements of those funding sources.

3 (f) (1) A transfer of revenues from the Highway Users Tax
4 Account to cities pursuant to this section collected during the
5 months of January, February, and March 2009, shall be made with
6 the transfer of April 2009 revenues in May 2009.

7 (2) For the purpose of meeting the cash obligations associated
8 with ongoing budgeted costs, a city may make use of any cash
9 balance in the city account that is designated for the receipt of state
10 funds allocated for local streets and roads, including that resulting
11 from the receipt of funds pursuant to the Highway Safety, Traffic
12 Reduction, Air Quality, and Port Security Bond Act of 2006
13 (Chapter 12.49 (commencing with Section 8879.20) of Division
14 1 of Title 2 of the Government Code (bond act)) for local streets
15 and roads maintenance, during the period of this suspension, and
16 the use of this cash shall not be reflected as an expenditure of bond
17 act funds, if the cash is replaced once this suspension is repaid in
18 May 2009.

19 (3) This subdivision shall not affect any requirement that an
20 expenditure is required to be accrued and reflected from the
21 appropriate funding sources for which the moneys were received
22 and to meet all the requirements of those funding sources.

23 SEC. 40. Section 2192.4 of the Streets and Highways Code is
24 repealed.

25 ~~2192.4. The Trade Corridor Enhancement Account is hereby~~
26 ~~created in the State Transportation Fund to receive funds from~~
27 ~~subdivision (b) of Section 60050 of the Revenue and Taxation~~
28 ~~Code, as adjusted. Funds in the account shall be available for~~
29 ~~expenditure upon appropriation by the Legislature for~~
30 ~~corridor-based freight projects nominated by local agencies and~~
31 ~~the state.~~

32 SEC. 41. Chapter 8.5 (commencing with Section 2390) of
33 Division 3 of the Streets and Highways Code is repealed.

34 SEC. 42. Section 4000.15 of the Vehicle Code is repealed.

35 ~~4000.15. (a) Effective January 1, 2020, the department shall~~
36 ~~confirm, prior to the initial registration or the transfer of ownership~~
37 ~~and registration of a diesel-fueled vehicle with a gross vehicle~~
38 ~~weight rating of more than 14,000 pounds, that the vehicle is~~
39 ~~compliant with, or exempt from, applicable air pollution control~~
40 ~~technology requirements pursuant to Division 26 (commencing~~

1 with Section 39000) of the Health and Safety Code and regulations
2 of the State Air Resources Board adopted pursuant to that division.

3 ~~(b) Except as otherwise provided in subdivision (c), for~~
4 ~~diesel-fueled vehicles subject to Section 43018 of the Health and~~
5 ~~Safety Code, as applied to the reduction of emissions of diesel~~
6 ~~particulate matter, oxides of nitrogen, and other criteria pollutants~~
7 ~~from in-use diesel-fueled vehicles, and Section 2025 of Title 13~~
8 ~~of the California Code of Regulations as it read January 1, 2017,~~
9 ~~or as subsequently amended:~~

10 ~~(1) The department shall refuse registration, or renewal or~~
11 ~~transfer of registration, for a diesel-fueled vehicle with a gross~~
12 ~~vehicle weight rating of 14,001 pounds to 26,000 pounds for the~~
13 ~~following vehicle model years:~~

14 ~~(A) Effective January 1, 2020, vehicle model years 2004 and~~
15 ~~older.~~

16 ~~(B) Effective January 1, 2021, vehicle model years 2007 and~~
17 ~~older.~~

18 ~~(C) Effective January 1, 2023, vehicle model years 2010 and~~
19 ~~older.~~

20 ~~(2) The department shall refuse registration, or renewal or~~
21 ~~transfer of registration, for a diesel-fueled vehicle with a gross~~
22 ~~vehicle weight rating of more than 26,000 pounds for the following~~
23 ~~vehicle model years:~~

24 ~~(A) Effective January 1, 2020, vehicle model years 2000 and~~
25 ~~older.~~

26 ~~(B) Effective January 1, 2021, vehicle model years 2005 and~~
27 ~~older.~~

28 ~~(C) Effective January 1, 2022, vehicle model years 2007 and~~
29 ~~older.~~

30 ~~(D) Effective January 1, 2023, vehicle model years 2010 and~~
31 ~~older.~~

32 ~~(c) (1) As determined by the State Air Resources Board,~~
33 ~~notwithstanding effective dates and vehicle model years identified~~
34 ~~in subdivision (b), the department may allow registration, or~~
35 ~~renewal or transfer of registration, for a diesel-fueled vehicle that~~
36 ~~has been reported to the State Air Resources Board, and is using~~
37 ~~an approved exemption, or is compliant with applicable air~~
38 ~~pollution control technology requirements pursuant to Division~~
39 ~~26 (commencing with Section 39000) of the Health and Safety~~
40 ~~Code and regulations of the State Air Resources Board adopted~~

1 ~~pursuant to that division, including vehicles equipped with the~~
2 ~~required model year emissions equivalent engine or otherwise~~
3 ~~using an approved compliance option.~~

4 ~~(2) The State Air Resources Board shall notify the department~~
5 ~~of the vehicles allowed to be registered pursuant to this subdivision.~~

6 SEC. 43. Section 4156 of the Vehicle Code is amended to read:

7 4156. (a) Notwithstanding any other provision of this code,
8 and except as provided in subdivision (b), the department in its
9 discretion may issue a temporary permit to operate a vehicle when
10 a payment of fees has been accepted in an amount to be determined
11 by, and paid to the department, by the owner or other person in
12 lawful possession of the vehicle. The permit shall be subject to the
13 terms and conditions, and shall be valid for the period of time, that
14 the department shall deem appropriate under the circumstances.

15 (b) (1) The department shall not issue a temporary permit
16 pursuant to subdivision (a) to operate a vehicle for which a
17 certificate of compliance is required pursuant to Section 4000.3,
18 and for which that certificate of compliance has not been issued,
19 unless the department is presented with sufficient evidence, as
20 determined by the department, that the vehicle has failed its most
21 recent smog check inspection.

22 (2) ~~Only~~ *Not more than* one temporary permit may be issued
23 pursuant to this subdivision to a vehicle owner in a two-year period.

24 (3) A temporary permit issued pursuant to paragraph (1) is valid
25 for either 60 days after the expiration of the registration of the
26 vehicle or 60 days after the date that vehicle is removed from
27 nonoperation, whichever is applicable at the time that the temporary
28 permit is issued.

29 (4) A temporary permit issued pursuant to paragraph (1) is
30 subject to Section 9257.5.

31 ~~(c) (1) The department may issue a temporary permit pursuant~~
32 ~~to subdivision (a) to operate a vehicle for which registration may~~
33 ~~be refused pursuant to Section 4000.15.~~

34 ~~(2) Only one temporary permit may be issued pursuant to this~~
35 ~~subdivision for any vehicle, unless otherwise approved by the State~~
36 ~~Air Resources Board.~~

37 ~~(3) A temporary permit issued pursuant to paragraph (1) is valid~~
38 ~~for either 90 days after the expiration of the registration of the~~
39 ~~vehicle or 90 days after the date that vehicle is removed from~~

1 nonoperation, whichever is applicable at the time the temporary
2 permit is issued.

3 ~~(4) A temporary permit issued pursuant to paragraph (1) is~~
4 ~~subject to Section 9257.5.~~

5 SEC. 44. Section 9250.6 of the Vehicle Code is repealed.

6 ~~9250.6. (a) In addition to any other fees specified in this code,~~
7 ~~or the Revenue and Taxation Code, commencing July 1, 2020, a~~
8 ~~road improvement fee of one hundred dollars (\$100) shall be paid~~
9 ~~to the department for registration or renewal of registration of~~
10 ~~every zero-emission motor vehicle model year 2020 and later~~
11 ~~subject to registration under this code, except those motor vehicles~~
12 ~~that are expressly exempted under this code from payment of~~
13 ~~registration fees.~~

14 ~~(b) On January 1, 2021, and every January 1 thereafter, the~~
15 ~~Department of Motor Vehicles shall adjust the road improvement~~
16 ~~fee imposed under subdivision (a) by increasing the fee in an~~
17 ~~amount equal to the increase in the California Consumer Price~~
18 ~~Index for the prior year, except the first adjustment shall cover the~~
19 ~~prior six months, as calculated by the Department of Finance, with~~
20 ~~amounts equal to or greater than fifty cents (\$0.50) rounded to the~~
21 ~~highest whole dollar. The incremental change shall be added to~~
22 ~~the associated fee rate for that year.~~

23 ~~(c) Any changes to the road improvement fee imposed by~~
24 ~~subdivision (a) that are enacted by legislation subsequent to July~~
25 ~~1, 2017, shall be deemed to be changes to the base fee rate for~~
26 ~~purposes of the California Consumer Price Index calculation and~~
27 ~~adjustment performed pursuant to subdivision (b).~~

28 ~~(d) Revenues from the road improvement fee, after deduction~~
29 ~~of the department's administrative costs related to this section,~~
30 ~~shall be deposited in the Road Maintenance and Rehabilitation~~
31 ~~Account created pursuant to Section 2031 of the Streets and~~
32 ~~Highways Code.~~

33 ~~(e) This section does not apply to a commercial motor vehicle~~
34 ~~subject to Section 9400.1.~~

35 ~~(f) The road improvement fee required pursuant to this section~~
36 ~~does not apply to the initial registration after the purchase of a new~~
37 ~~zero-emission motor vehicle.~~

38 ~~(g) For purposes of this section, "zero-emission motor vehicle"~~
39 ~~means a motor vehicle as described in subdivision (d) of Section~~

1 44258 of the Health and Safety Code, or any other motor vehicle
2 that is able to operate on any fuel other than gasoline or diesel fuel.

3 SEC. 45. Section 1 of Chapter 5 of the Statutes of 2017 is
4 repealed.

5 SECTION 1. The Legislature finds and declares all of the
6 following:

7 (a) Over the next 10 years, the state faces a \$59 billion shortfall
8 to adequately maintain the existing state highway system in order
9 to keep it in a basic state of good repair.

10 (b) Similarly, cities and counties face a \$78 billion shortfall
11 over the next decade to adequately maintain the existing network
12 of local streets and roads.

13 (c) Statewide taxes and fees dedicated to the maintenance of
14 the system have not been increased in more than 20 years, with
15 those revenues losing more than 55 percent of their purchasing
16 power, while costs to maintain the system have steadily increased
17 and much of the underlying infrastructure has aged past its expected
18 useful life.

19 (d) California motorists are spending \$17 billion annually in
20 extra maintenance and car repair bills, which is more than \$700
21 per driver, due to the state's poorly maintained roads.

22 (e) Failing to act now to address this growing problem means
23 that more drastic measures will be required to maintain our system
24 in the future, essentially passing the burden on to future generations
25 instead of doing our job today.

26 (f) A funding program will help address a portion of the
27 maintenance backlog on the state's road system and will stop the
28 growth of the problem.

29 (g) Modestly increasing various fees can spread the cost of road
30 repairs broadly to all users and beneficiaries of the road network
31 without overburdening any one group.

32 (h) Improving the condition of the state's road system will have
33 a positive impact on the economy as it lowers the transportation
34 costs of doing business, reduces congestion impacts for employees,
35 and protects property values in the state.

36 (i) The federal government estimates that increased spending
37 on infrastructure creates more than 13,000 jobs per \$1 billion spent.

38 (j) Well-maintained roads benefit all users, not just drivers, as
39 roads are used for all modes of transport, whether motor vehicles,
40 transit, bicycles, or pedestrians.

1 ~~(k) Well-maintained roads additionally provide significant health~~
2 ~~benefits and prevent injuries and death due to crashes caused by~~
3 ~~poorly maintained infrastructure.~~

4 ~~(l) A comprehensive, reasonable transportation funding package~~
5 ~~will do all of the following:~~

6 ~~(1) Ensure these transportation needs are addressed.~~

7 ~~(2) Fairly distribute the economic impact of increased funding.~~

8 ~~(3) Restore the gas tax rate previously reduced by the State~~
9 ~~Board of Equalization pursuant to the gas tax swap.~~

10 ~~(4) Direct increased revenue to the state's highest transportation~~
11 ~~needs.~~

12 ~~(m) This act presents a balance of new revenues and reasonable~~
13 ~~reforms to ensure efficiency, accountability, and performance from~~
14 ~~each dollar invested to improve California's transportation system.~~
15 ~~The revenues designated in this act are intended to address both~~
16 ~~state and local transportation infrastructure needs as follows:~~

17 ~~(1) The revenues estimated to be available for allocation under~~
18 ~~the act to local agencies are estimated over the next 10 years to be~~
19 ~~as follows:~~

20 ~~(A) Fifteen billion dollars (\$15,000,000,000) to local street and~~
21 ~~road maintenance.~~

22 ~~(B) Seven billion five hundred million dollars (\$7,500,000,000)~~
23 ~~for transit operations and capital.~~

24 ~~(C) Two billion dollars (\$2,000,000,000) for the local~~
25 ~~partnership program.~~

26 ~~(D) One billion dollars (\$1,000,000,000) for the Active~~
27 ~~Transportation Program.~~

28 ~~(E) Eight hundred twenty-five million dollars (\$825,000,000)~~
29 ~~for the regional share of the State Transportation Improvement~~
30 ~~Program.~~

31 ~~(F) Two hundred fifty million dollars (\$250,000,000) for local~~
32 ~~planning grants.~~

33 ~~(2) The revenues estimated to be available for allocation under~~
34 ~~the act to the state are estimated over the next 10 years to be as~~
35 ~~follows:~~

36 ~~(A) Fifteen billion dollars (\$15,000,000,000) for state highway~~
37 ~~maintenance and rehabilitation.~~

38 ~~(B) Four billion dollars (\$4,000,000,000) for highway bridge~~
39 ~~and culvert maintenance and rehabilitation.~~

1 ~~(C) Three billion dollars (\$3,000,000,000) for high priority~~
2 ~~freight corridors.~~

3 ~~(D) Two billion five hundred million dollars (\$2,500,000,000)~~
4 ~~for congested corridor relief.~~

5 ~~(E) Eight hundred million dollars (\$800,000,000) for parks~~
6 ~~programs, off-highway vehicle programs, boating programs, and~~
7 ~~agricultural programs.~~

8 ~~(F) Two hundred seventy-five million dollars (\$275,000,000)~~
9 ~~for the interregional share of the State Transportation Improvement~~
10 ~~Program.~~

11 ~~(G) Two hundred fifty million dollars (\$250,000,000) for~~
12 ~~freeway service patrols.~~

13 ~~(H) Seventy million dollars (\$70,000,000) for transportation~~
14 ~~research at the University of California and the California State~~
15 ~~University.~~

16 ~~(n) It is the intent of the Legislature that the Department of~~
17 ~~Transportation meet the following preliminary performance~~
18 ~~outcomes for additional state highway investments by the end of~~
19 ~~2027, in accordance with applicable state and federal standards:~~

20 ~~(1) Not less than 98 percent of pavement on the state highway~~
21 ~~system in good or fair condition.~~

22 ~~(2) Not less than 90 percent level of service achieved for~~
23 ~~maintenance of potholes, spalls, and cracks.~~

24 ~~(3) Not less than 90 percent of culverts in good or fair condition.~~

25 ~~(4) Not less than 90 percent of the transportation management~~
26 ~~system units in good condition.~~

27 ~~(5) Fix not less than an additional 500 bridges.~~

28 ~~(o) Further, it is the intent of the Legislature that the Department~~
29 ~~of Transportation leverage funding provided by this act for trade~~
30 ~~corridors and other highly congested travel corridors in order to~~
31 ~~obtain matching funds from federal and other sources to maximize~~
32 ~~improvements in the state's high-priority freight corridors and in~~
33 ~~the most congested commute corridors.~~

34 ~~(p) Constitutionally protecting the funds raised by this act~~
35 ~~ensures that these funds are to be used only for transportation~~
36 ~~purposes necessary to repair roads and bridges, expand the~~
37 ~~economy, and protect natural resources.~~

38 ~~(q) This act advances greenhouse gas reduction objectives and~~
39 ~~other environmental goals by focusing on "fix-it-first" projects,~~
40 ~~investments in transit and active transportation, and supporting~~

1 ~~Senate Bill 375 (Chapter 728, Statutes of 2008) and transportation~~
2 ~~plans.~~

3 SEC. 46. Section 2 of Chapter 5 of the Statutes of 2017 is
4 repealed.

5 SEC. 2. This act shall be known, and may be cited as, the Road
6 Repair and Accountability Act of 2017.

7 SEC. 47. Section 43 of Chapter 5 of the Statutes of 2017 is
8 repealed.

9 SEC. 43. The Legislature finds and declares all of the
10 following:

11 (a) Californians know congestion. For decades, California has
12 been home to five or six of the nation's most congested travel
13 corridors, which are located in Los Angeles, the San
14 Francisco-Oakland-San Jose Bay Area, the Inland Empire, San
15 Diego, and increasingly, in the central valley. While congestion
16 is a vexing challenge in a state that is home to nearly 40 million
17 people and that adds nearly a half-million people each year, regions
18 and localities are finding new ways to address congestion in highly
19 traveled corridors by undertaking long-term, comprehensive, and
20 multimodal approaches that seek to reduce congestion by
21 expanding travel choices, improving the quality of life, and
22 preserving the local community character within the corridor.

23 (b) Examples of this more comprehensive approach to improving
24 congestion in highly traveled corridors include, but are not limited
25 to, programs in the following regions:

26 (1) The North Coast Corridor improvements along Route 5 and
27 the parallel rail corridor in the County of San Diego.

28 (2) The Route 91 and Metrolink rail corridor improvements in
29 the County of Riverside.

30 (3) Emerging solutions for the Route 101 and Caltrain corridor
31 connecting Silicon Valley with San Francisco.

32 (4) Multimodal approaches for the Route 101 and SMART rail
33 corridor between the Counties of Marin and Sonoma.

34 (5) Comprehensive solutions for the Route 405 Corridor in the
35 County of Los Angeles.

36 (c) The state recognizes the benefits to mobility, quality of life,
37 and the environment through comprehensive, multimodal proposals
38 that address mobility, community, and environmental challenges
39 along highly traveled corridors. Therefore, the Solutions for
40 Congested Corridors Program is being created to support

1 collaborative and comprehensive proposals to address these
2 challenges.

3 SEC. 48. Section 48 of Chapter 5 of the Statutes of 2017 is
4 repealed.

5 SEC. 48. (a) On or before January 1, 2019, the Institute for
6 Transportation Studies at the University of California, Davis is
7 requested to prepare and submit to the Governor and the Legislature
8 a report that makes recommendations on potential methodologies
9 to raise revenue from zero-emission and low-emission vehicle
10 owners to achieve the state's transportation electrification, clean
11 air, and climate targets established under law while also ensuring
12 those vehicle owners pay their fair share of any costs borne by
13 motorists to fund improvements to the transportation system.

14 (b) The report shall examine all fees, taxes, and incentives for
15 zero- and low-emission vehicles, and other vehicles, and shall
16 make recommendations for options that ensure the purchase and
17 ownership of zero- and low-emission vehicles are properly
18 incentivized to assist in meeting state clean air and climate targets,
19 while also ensuring appropriate levels of funding for roads and
20 transportation.

21 (c) The study shall assess annual fees on zero-emission vehicles
22 or other vehicles not otherwise subject to state fuel excise or use
23 taxes and compare that to the average annual state fuel excise tax
24 assessed on gasoline or diesel vehicles with equivalent fuel
25 economy.

26 (d) The Institute shall consult with the State Air Resources
27 Board, the Department of Transportation, the Department of Motor
28 Vehicles, and the State Board of Equalization in preparing the
29 report.

30 (e) This report shall be submitted in compliance with Section
31 9795 of the Government Code.

32 SEC. 49. Section 49 of Chapter 5 of the Statutes of 2017 is
33 repealed.

34 SEC. 49. Guidelines adopted to implement transportation
35 programs in this act by the California Transportation Commission,
36 the Department of Transportation, the Transportation Agency, or
37 any other state agency shall be exempt from the Administrative
38 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
39 Part 1 of Division 3 of Title 2 of the Government Code).

1 SEC. 50. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the California Constitution and shall
4 go into immediate effect. The facts constituting the necessity are:
5 In order to prevent the taxes imposed by the Road Repair and
6 Accountability Act of 2017 from taking effect, it is necessary for
7 this act to take effect immediately.

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