



San Gabriel Valley Council of Governments

AGENDA AND NOTICE OF THE MEETING OF THE TRANSPORTATION COMMITTEE – APRIL 19, 2018 – 4:30 PM

Upper San Gabriel Valley Municipal Water District Office
(602 E. Huntington Drive, Suite B, Monrovia, California, 91016)

The Transportation Committee encourages public participation and invites you to share your views on agenda items.

Chair

John Fasana, Duarte

Vice-Chair

Sam Pedroza,
Claremont

Members

Alhambra
Claremont
Diamond Bar
Duarte
El Monte
Glendora
La Cañada Flintridge
Pomona
San Gabriel
South El Monte
South Pasadena
Temple City
Walnut
First District, LA County
Unincorporated
Communities
Fifth District, LA County
Unincorporated
Communities

MEETINGS: *Regular Meetings of the Transportation Committee are held on the third Thursday of each month at 4:00 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California, 91016).* The Transportation Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Transportation Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane, or disruptive remarks.

TO ADDRESS THE TRANSPORTATION COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Transportation Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Transportation Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Transportation Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR (*It is anticipated that the Transportation Committee may take action on the following matters*)

6. Transportation Meeting Minutes – 03/15/2018
Recommended Action: Approve Transportation Committee minutes.
7. AB 1756 (Brough)
Recommended Action: Recommend that the Governing Board oppose AB 1756.

PRESENTATIONS (*It is anticipated that the Transportation Committee may take action on the following matters*)

8. SB 1 and DOT Infrastructure for Rebuilding America (INFRA) Grant: Presentation by: Michael Cano, Countywide Planning and Development, Deputy Executive Officer, LA Metro
Recommended Action: For information only.
9. Metro Open Streets Cycle Three Grant: Presentation by: Brett Thomas, Senior Transportation Planner, Countywide Planning, LA Metro
Recommended Action: For information only.
10. CicLAvia: Heart of the Foothills Event Update and Overview: Presentation by: Romel Pascual, Executive Director, CicLAvia
Recommended Action: For information only.
11. Harvey Mudd College – Complete Streets and Greenway Planning in the SGV
Recommended Action: For information only.

ACTION ITEMS (*It is anticipated that the Transportation Committee may take action on the following matters*)

DISCUSSION ITEMS (*It is anticipated that the Transportation Committee may take action on the following matters*)

12. San Gabriel Valley Bike Share Expansion Update
Recommended Action: Discuss and provide direction to staff.

CHAIR'S REPORT

13. I-10 ExpressLane / Busway Motion: Presentation by: John Fasana, Member of the Metro Board of Directors
Recommended Action: For information and discussion.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

14. Oral Report
Recommended Action: For information only.

UPDATE ITEMS

15. Metrolink Update
Recommended Action: For information only.
16. Update on Active Transportation Planning Efforts
Recommended Action: For information only.

EXECUTIVE DIRECTOR'S REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

17. Oral Report
Recommended Action: For information only.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN

**SPECIAL SGVCOG Transportation Committee Unapproved Minutes**

Date: March 15, 2018

Time: **4:30 PM**Location: Upper San Gabriel Valley Municipal Water District
602 E. Huntington Dr., Suite B, Monrovia, CA 91016**PRELIMINARY BUSINESS**

1. Call to Order
The meeting was called to order at 4:44 p.m.

2. Pledge of Allegiance

3. Roll Call

Members Present

Alhambra	B. Messina
Claremont	S. Pedroza
Diamond Bar	C. Herrera / D. Liu
Duarte	J. Fasana
El Monte	J. Velasco
South El Monte	G. Olmos, J. Vasquez
South Pasadena	D. Mahmud
LA County District 1	W. Rehman

Members Absent

Glendora
La Cañada Flintridge
San Gabriel
Temple City
Walnut
LA County District 5

SGVCOG Staff

M. Creter
M. Christoffels
E. Wolf
C. Cruz
P. Duyshart
S. Hernandez

4. Public Comment

No public comment.

5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

No changes to the agenda order.

CONSENT CALENDAR

6. Transportation Meeting Minutes: 02/15/2018

There was a motion to approve the consent calendar (M/S: C. Herrera / D. Mahmud).

[MOTION PASSED]

AYES:	Claremont, Diamond Bar, Duarte, El Monte, South El Monte, South Pasadena
NOES:	
ABSTAIN:	

ABSENT:	Alhambra, Glendora, La Cañada Flintridge, San Gabriel, Temple City, Walnut, LA County District 1, LA County District 5
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ACTION ITEMS

- California Proposition 69: ACA 5, Frazier. Motor vehicle fees and taxes: restriction on expenditures: appropriations limit.

P. Duyshart presented on this item. He began his presentation on this item by providing background on SB 1 (Beall), which is a major transportation funding bill which increased taxes on gasoline and diesel fuel, increased vehicle registration fees, and established a new Road Improvement Fee. He also discussed how the SB 1 transportation taxes and fees will raise \$5 billion per year when all fees are in effect, and he also outlined what the tax increases will consist of, and when each specific tax and fee will go into effect.

Additionally, Mr. Duyshart also described how the State Legislature included provisions in SB 1 which dedicate all of the SB 1 revenues to transportation expenditures. However, while the California State Constitution mandates that revenues from the gasoline excise tax, diesel excise tax, and the Road Improvement/Zero-Emission Vehicle Fee must be restricted to transportation expenditures, the State Constitution does not require revenues from the Transportation Improvement Fee or the Diesel Sales Tax to be spent for transportation purposes. This means that, in the future, the Legislature would be able to change the current law to allow the California Government to spend some of the revenues from these SB 1 taxes and fees on non-transportation purposes.

P. Duyshart also pointed out how the California Constitution requires that the state government keeps its annual spending at or below a certain level. However, the State Constitution does exempt most spending from gasoline and diesel excise tax revenues and capital projects from counting toward this spending cap. The way the pertinent clauses of the Constitution are written and structured, only about one-tenth of the spending from SB 1 revenues counts toward this mandated limit.

Duyshart then discussed how Assembly Constitutional Amendment (ACA) No. 5, which was drafted by Asm. Frazier, addresses the two issues which are described above: the issues pertaining to *restrictions on revenues* and *spending limits*. ACA 5 addresses the restrictions on revenues issue by amending the State Constitution to require that ALL SB 1 revenues be spent on transportation purposes only. Additionally, ACA 5 also prohibits the State from loaning out SB 1 revenues and from using transportation improvement fee revenues to repay state transportation bonds. Moreover, ACA 5 addresses the spending limits issue by amending the State Constitution to exempt ALL revenues (instead of 90% of the revenues) raised from SB 1 from counting toward state and local spending limits.

ACA 5 will appear on the California ballot as Proposition 69, a legislatively referred constitutional amendment, on June 5, 2018. P. Duyshart then stated that SGVCOG Staff recommends that the Transportation Committee recommend that the Governing Board adopt a resolution to support ACA 5.

Questions/Discussion: There were no questions from the Committee.

There was a motion made to recommend that the SGVCOG Governing Board formally support ACA 5 / Proposition 69 (M/S: D. Mahmud / C. Herrera)

[MOTION PASSED]

AYES:	Alhambra, Claremont, Diamond Bar, Duarte, El Monte, South El Monte, South Pasadena
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NOES:	
ABSTAIN:	
ABSENT:	Glendora, La Cañada Flintridge, San Gabriel, Temple City, Walnut, LA County District 1, LA County District 5

PRESENTATIONS

8. San Gabriel Valley Bike Share Expansion Update

M. Creter, the Interim Executive Director of the SGVCOG, presented this item to the Transportation Committee. She began the presentation by providing background about the Greenhouse Gas Reduction Funds (GGRF) grant from the California Transportation Commission (CTC). In August 2017, the CTC awarded the COG with \$4.554 million in GGRF funds for a Bike Share Expansion Program in 14 SGV cities. This grant money is to fund 840 Bike Share Bicycles. While the grant provides sufficient funding to purchase and order the bicycles, the SGVCOG would have to identify additional funds to pay for Operations and Maintenance (O&M) funds for the daily upkeep and operation of the SGV Metro Bike Share System. Ms. Creter then listed the 14 SGV cities which have chosen to participate in the in bike share grant.

Additionally, since 2015, the SGVCOG has been working with Metro to conduct studies to determine where Bike Share stations should be located in each of the participating cities. These studies would project practical station locations, estimated bike share ridership, and system costs.

M. Creter continued her presentation by going over the components, structure, and elements of LA Metro's current bike share system. LA Metro currently employs a Bike Share technology known as "Station-Based." With Station-Based Bike Share systems, there are established, permanent stations at which the bikes are attached to "docks" which lock the bikes when they're at rest. Station-Based stations consist of bikes, docks, a system map, and a pay kiosk. Additionally, while there is some system compatibility and consistency right now between Metro Bike Share and the Metro Transit system, there is the potential for full TAP Card integration by Late Fall 2018. Also, Metro is looking at adding two new Bike Share technologies to its system: "Smart Bike" technology and "Pedal Assist" technology. M. Creter then discussed the current fare structure of Metro Bike share.

Creter transitioned to going more in-depth regarding Metro Bike Share's system and benefits. With Metro's Bike Share system, Metro provides a plethora of useful services for the planning stages, including, but not limited to: technical assistance, conducting of feasibility studies, environmental clearances, and demonstrations. Additionally, when a Station-Based Bike Share system is operational, Metro provides services such as: bicycle and station maintenance, vehicles for minor repairs and rebalancing of bikes, customer service and support, marketing, and monthly reporting. However, M. Creter explained that Metro Bike Share has some concerning challenges. First, ridership is inconsistent, underperforming, and difficult to project. The City of Pasadena has seen ridership plummet in recent months, for example. Metro Bike Share is also incredibly costly for cities to operate. Cities would be responsible for up to \$3,666,000 of total O&M costs. As a result, some individual SGV cities are starting to look at cheaper dockless bike companies to provide bike share services in their respective cities.

Given the current landscape, M. Creter explained to the Committee that the SGVCOG needs to reevaluate Bike Share options, and likely should not consider Metro's station-based bike system anymore. The SGVCOG wants to work with participating member cities and provide a broad range of possible options and technologies, so that participating member cities can determine which technology is most practical and feasible.

M. Creter then presented three possible Bike Share technologies that the SGVCOG wants participating cities to now consider. The first two systems are systems that Metro is currently developing: the Smart Bike (DASH) and Pedal-Assist (DASH+). The third new technology for consideration is dockless bike share, which is not offered by Metro and is instead offered by multiple third party companies. Ms. Creter provided the Committee with an overview of each system technology, as well as the pros and cons of each. After providing the Committee with detailed information about each system for consideration, she pointed out that COG staff has concluded that it would be most affordable and practical for cities to employ dockless bike share programs. However, COG staff advises that participating member cities should meet with the COG to develop a consensus on the preferred Bike Share fleet for a City to employ, whether it consists of entirely of one bike share technology, or a combination of multiple new technologies.

M. Creter concluded her presentation by providing a bike share deliverables timeline and by asking the Transportation Committee for direction and feedback about how to proceed.

Questions/Discussion: The following issues were discussed:

- The need to look at other technologies due to the demands of the market.
- Since there are now new and invasive Bike Share technologies in the market, is it possible to change the GGRF grant guidelines, and agreements with Metro pertaining to this grant?
- How can we set up policy related to encouraging user to put dockless bikes away “properly” in designated Bike Share spaces, rather than just left around in an unorganized manner? How can we do this though with impeding the marketplace?
- How can the SGVCOG and its participating bike share cities provide better public engagement and education about how residents can utilize any current or future Bike Share system?
- M. Creter said that the SGVCOG has a sample MOU for dockless bike share on file.
- Someone on the Committee brought up helmets. He asked what regulation or enforcement of helmets there would be, and another Committee member remarked that other Bike Share systems have had problems with head lice on communal helmets.
- One Committee member described how Ofo came to his City and did a demonstration event. They do have restricted rules regarding helmets. His City offers a monthly bike ride for education, and he encouraged residents of surrounding cities to join in on these education rides. Additionally, he thinks that more Bike Share information should be posted on social media. Advocates for Dockless. As far as moving bikes around in an organized way, he thinks that a city’s law enforcement group should move the bikes around.
- One member of the Committee who had already spoken pointed out that the CicLAvia Open Streets event in San Dimas, La Verne, Pomona, and Claremont is a great marketing opportunity.
- Have any cities in the SGV subregion pioneered a franchise agreement?
- One Committee member expressed concern that a proliferation of competing bikes will cause compatibility problems across city lines.
- Will there be any enforcement mechanisms for leaving bikes around in an unordered manner, either for the user or the bike company?
- There was concern expressed about the battery technology, the charging, and the exorbitant costs of the pedal assist bikes.
- Is it possible to ask the CTC for an extension on this grant so that agencies such as the COG can be more deliberate in choosing technologies?
- The matter of possible TAP integration with any of Metro’s bike share technologies was brought up.
- All committee members pointed out that we need to make a smart, reasoned comprehensive decision.

- A Committee member argued that Metro's current Bike Share model works in DTLA, but not in other non-dense places.

DISCUSSION ITEMS

9. Update on Measure M Subregional Fund Programming

M. Christoffels, the Chief Engineer of the SGVCOG and ACE, provided this update. He reminded Committee members that Metro's Measure M guidelines require each subregional entity, including the COG, to submit an MSP 5-Year Plan to the Metro Board of Directors for adoption. He then went over the funding that would be available for each subregional sub-program, as adopted by the Governing Board. Based on the funding allocation for each sub-program, SGVCOG staff will assign funding for the highest priority projects, mainly for active transportation projects, first/last mile projects, and highway efficiency projects. COG staff will identify the most important and highest-priority projects by consulting the COG's adopted Mobility Matrix. Mr. Christoffels alerted the Committee that COG staff will likely present a draft list of selected projects for Measure M funding at the Committee's May meeting, and that this draft list will first be presented to the Public Works and Planners' TACs in April.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT

10. Oral Report

The Chair, J. Fasana, provided the MTA Report.

- FYI: Metro's big item on March 1 was what to do with the 710 Freeway. There was an option to widen the 710 South. There is not much appetite to widen the footprint. This would also be expensive.
 - W. Rehman commented that Options 7 and 5c pertaining to the 710 freeway have moved forward, and that an Early Action Program and Community Improvement Packages (sound walls, active transportation infrastructure, etc.) are also moving forward, but that loans for these project would be in the \$2 billion range.
- Fasana said there's also a plan to have a zero emissions lane on the 710 Freeway.
- Fasana also noted that he was contacted by South Pasadena about having Security on the Gold Line. Another Committee member added that there is a lot of security on the Red Line now, but Security staff talks to each other instead of fanning out to provide more coverage and presence.

UPDATE ITEMS

11. Metrolink Update

S. Pedroza reported that Metrolink is targeting to have new meetings to talk about funding mechanisms for line and system upgrades.

12. Update on Active Transportation Planning Efforts

No update.

EXECUTIVE DIRECTOR'S REPORT

13. Oral Report

There was no report on this item.

COMMITTEE MEMBER ITEMS

No Committee member items.

ANNOUNCEMENTS

Transportation Committee permanent time change: the new 4:30 PM start time will be permanent moving forward. P. Duyshart noted that the Governing Board will vote to formally approve this change at tonight's meeting.

ADJOURN

The meeting was adjourned at 5:45 p.m.

DATE: April 19, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **AB 1756 (Brough)**

RECOMMENDED ACTION

Recommend that the Governing Board adopt a resolution in opposition to AB 1756 (Brough)

BACKGROUND

In early April 2017, the California Legislature passed SB 1 (Beall), The Road Repair and Accountability Act of 2017, and on April 28, 2017, Governor Jerry Brown signed SB 1 into law. SB 1 is a major transportation funding bill which increased taxes on gasoline and diesel fuel, increased vehicle registration fees, and established a new Road Improvement Fee. These new SB 1 transportation taxes and fees will raise \$5 billion in revenue annually when all taxes and fees are implemented, and over ten years, these fee increases will generate approximately \$52.4 billion in revenue. The taxes and fees which are levied as a result of SB 1 also adjust for inflation every year. SB 1 affects transportation taxes and fees in the following manners:

- a) Increases the excise tax on gasoline by \$0.12 per gallon (11/1/17)
- b) Increases the excise tax on diesel fuel by \$0.20 per gallon (11/1/17)
- c) Increases the sales tax on diesel fuels by an additional 4% increment (11/1/17)
- d) Establishes a new yearly Transportation Improvement Fee (TIF), based on the market value of the vehicle (1/1/18)
- e) Establishes the Road Improvement Fee, which is \$100 per vehicle for Zero-Emission Vehicles (2020)

Additionally, the State Legislature included provisions in SB 1 which dedicate all of the SB 1 revenues to transportation expenditures. However, while the California State Constitution mandates that revenues from the gasoline excise tax, diesel excise tax, and the Road Improvement/Zero-Emission Vehicle Fee must be restricted to transportation expenditures, the State Constitution does not require revenues from the Transportation Improvement Fee or the Diesel Sales Tax to be spent for transportation purposes. This means that, in the future, the Legislature would be able to change the current law to allow the California Government to spend some of the revenues from these SB 1 taxes and fees on non-transportation purposes.

AB 1756, which was introduced to the California State Legislature on January 4, 2018 by Assemblyman William Brough, would repeal SB 1 in its entirety. If SB 1 is repealed, all of its new transportation taxes and fees will cease to be enforced, which would result in a significant elimination of additional state transit and transportation infrastructure improvement and enhancement funding throughout the State of California, including for transit agencies which serve

the San Gabriel Valley. The elimination of SB 1 would also result in a large reduction of ATP Cycle 4 Grant funds, which would then cut off a key potential funding source for SGV cities and agencies, including those which serve disadvantaged communities, for active, clean transportation and greenway projects

Additionally, this repeal would be effective immediately, as it would be considered an urgency statute, if passed. This piece of legislation would need two-thirds of the vote in both chambers of the California State Legislature in order to become law. The bill is currently in the committee process, and has been referred to the Transportation Committee for consideration.


SUPPORT AND OPPOSITION

The Foothill Transit Executive Board has formally opposed AB 1756.

NEXT STEPS

It is being recommended that the Transportation Committee recommend that the Governing Board formally oppose AB 1756 (Brough). If approved, this item will be presented to the Governing Board for adoption in May 2018.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

- Attachment A – AB 1756 (Brough) Text -- Page 9
- Attachment B – SB 1 Assembly Floor Analysis -- Page 58
- Attachment C – SB 1 California Legislative Analyst's Office Overview -- Page 63

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 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~~

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

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

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

16 (j)

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

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

20 14526.7. (a) The department shall incorporate the performance
21 targets in subdivision (n) of Section 1 of the act adding this section
22 into the asset management plan adopted by the commission and
23 targets adopted by the commission pursuant to Sections 14526.4
24 and 14526.5. The asset management plan shall also include targets
25 adopted by the commission in consultation with the department
26 for each asset class included in subdivision (n) of Section 1 of the
27 act adding this section to measure the degree to which progress
28 was made towards achieving the overall 2027 targets. Targets may
29 be modified by the commission as needed to conform to federal
30 regulation on performance measures and the completion of the
31 department's asset management plan. Nothing in this section
32 precludes the commission from adopting additional targets and
33 performance measures pursuant to paragraph (1) of subdivision
34 (e) of Section 14526.4.

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

40 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~~

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

6 (b) ~~The remaining seven hundred six million dollars~~
7 ~~(\$706,000,000) of loans from the Traffic Congestion Relief Fund~~
8 ~~to the General Fund shall be repaid pursuant to Section 14556.8.~~

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

11 63048.65. (a) Upon a filing by the Director of Finance with
12 the bank of a list of designated tribal compacts and the specific
13 portions of the compact assets to be sold, the bank may sell for,
14 and on behalf of, the state, solely as its agent, those specific
15 portions of the compact assets to a special purpose trust. To that
16 end, a special purpose trust is hereby established as a not-for-profit
17 corporation solely for that purpose and for the purposes necessarily
18 incidental thereto. The bank may enter into one or more sales
19 agreements with the special purpose trust on terms it deems
20 appropriate, which may include covenants of, and binding on, the
21 state necessary to establish and maintain the security of the bonds
22 and exemption of interest on the bonds from federal income
23 taxation. The portion of the compact assets to be sold shall be an
24 amount or amounts determined by the Director of Finance that are
25 necessary to provide the state with net proceeds of the sale, not to
26 exceed one billion five hundred million dollars (\$1,500,000,000),
27 exclusive of capitalized interest on the bonds and any costs incurred
28 by the bank or the special purpose trust in implementing this article,
29 including, but not limited to, the cost of financing one or more
30 reserve funds, any credit enhancements, costs incurred in the
31 issuance of bonds, and operating expenses. Those specific portions
32 of the compact assets may be sold at one time or from time to time.

33 (b) The special purpose trust may issue bonds, including, but
34 not limited to, refunding bonds, on the terms it shall determine,
35 and do all things contemplated by, and authorized by, this division
36 with respect to the bank, and enjoy all rights, privileges, and
37 immunities the bank enjoys pursuant to this division, or as
38 authorized by Section 5140 of the Corporations Code with respect
39 to public benefit nonprofit corporations, or as necessary or
40 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.

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

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

33 (d) Funds received from amended tribal-state compacts, or new
34 compacts entered into and ratified on or after the effective date of
35 this article, pursuant to Section 4.3.1 of the amended compacts,
36 or the comparable section in new compacts, as specified in those
37 compacts, that are neither sold to the special purpose trust nor
38 otherwise appropriated, and funds received as a result of the state's
39 acquisition of an ownership interest in any residual interest in
40 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

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

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

16 63048.85. (a) The Legislature finds and declares that, because
17 the proceeds from the sale of compact assets authorized by this
18 article are not “proceeds of taxes” as that term is used in Article
19 XIII B of the California Constitution, the disbursement of these
20 proceeds is not subject to the limitations imposed by that article.

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

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

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

31 ~~43021. (a) Except as provided in subdivision (b), the~~
32 ~~retirement, replacement, retrofit, or repower of a self-propelled~~
33 ~~commercial motor vehicle, as defined in Section 34601 of the~~
34 ~~Vehicle Code, shall not be required until the later of the following:~~

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

39 ~~(2) When the vehicle reaches the earlier of either 800,000~~
40 ~~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 ~~(e) (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

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

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

9 ~~(e) (1)~~

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

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

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

28 7360. (a) (1) A tax of eighteen cents (\$0.18) is hereby imposed
29 upon each gallon of fuel subject to the tax in Sections 7362, 7363,
30 and 7364.

31 (2) If the federal fuel tax is reduced below the rate of nine cents
32 (\$0.09) per gallon and federal financial allocations to this state for
33 highway and exclusive public mass transit guideway purposes are
34 reduced or eliminated correspondingly, the tax rate imposed by
35 paragraph (1), on and after the date of the reduction, shall be
36 recalculated by an amount so that the combined state rate under
37 paragraph (1) and the federal tax rate per gallon equal twenty-seven
38 cents (\$0.27).

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

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

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

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

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

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

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

~~(d) On July 1, 2020, and every July 1 thereafter, the board shall adjust the taxes imposed by subdivisions (a), (b), and (c), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount 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.

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

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

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

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

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

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

~~(2) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, 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

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

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

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

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

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

31 2105. Notwithstanding Section 13340 of the Government Code,
32 in addition to the apportionments prescribed by Sections 2104,
33 2106, and 2107, from the revenues derived from a per gallon tax
34 imposed pursuant to Section 7360 of the Revenue and Taxation
35 Code, and a per gallon tax imposed pursuant to Sections 8651,
36 8651.5, and 8651.6 of the Revenue and Taxation Code, and a per
37 gallon tax imposed pursuant to Sections 60050 and 60115 of the
38 Revenue and Taxation Code, the following apportionments shall
39 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.

(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. 38. Section 2106 of the Streets and Highways Code is amended to read:

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

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

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

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

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

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be 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 ~~(e) (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.

O

(Without Reference to File)

SENATE THIRD READING

SB 1 (Beall)

As Amended April 3, 2017

2/3 vote. Urgency

SENATE VOTE: 27-11

SUMMARY: Increases several taxes and fees to raise the equivalent of roughly \$52.4 billion over ten years in new transportation revenues and makes adjustments for inflation every year; directs the funding to be used towards deferred maintenance on the state highways and local streets and roads, and to improve the state's trade corridors, transit, and active transportation facilities. Specifically, **this bill**:

- 1) Increases a number of taxes and fees for transportation purposes:
 - a) Increases the excise tax on gasoline by \$0.12 per gallon, starting November 1, 2017.
 - b) Increases the excise tax on diesel fuel by \$0.20 per gallon, starting November 1, 2017.
 - c) Increases the sales tax on diesel fuels by an additional 4% increment, starting November 1, 2017.
 - d) Creates a new annual Transportation Improvement Fee (TIF), starting January 1, 2018, based on the market value of the vehicle with the fee range described below:
 - i) \$25 per year for vehicles with a market value of \$0- \$4,999;
 - ii) \$50 per year for vehicles with a market value of \$5,000 - \$24,999;
 - iii) \$100 per year for vehicles with a market value of \$25,000 - \$34,999;
 - iv) \$150 per year for vehicles with a market value of \$35,000 - \$59,999; and,
 - v) \$175 per year for vehicles with a market value of \$60,000 and higher
 - e) Creates the Road Improvement Fee of \$100 per vehicles for Zero-Emission Vehicles (ZEV)s, as defined, starting in 2020 for model year 2020 and later.
- 2) Eliminates, starting July 1, 2019, the annual adjustment required by the "Gas Tax Swap," of 2010, and instead imposes a more stable tax by re-establishing the Price Based Excise tax (PBET) at its original rate of \$0.173 per gallon. Requires revenues generated from the PBET adjustment to be allocated under the existing statutory framework with 44% for the State Transportation Improvement Program (STIP), 44% for cities and counties for local streets and roads, and 12% for the State Highway Operations and Protection Program (SHOPP).
- 3) Requires that the tax rates and fees specified in this bill, other than the diesel sales tax, are adjusted annually based on the California Consumer Price Index (CPI).

- 4) Provides for the repayment of outstanding transportation loans from the General Fund totalling \$706 million.
- 5) Creates the Road Maintenance and Rehabilitation Program. Funds raised by the gasoline excise tax, a portion of the diesel excise tax increase (\$0.10), and TIF, and ZEV fees are deposited into the Road Maintenance and Rehabilitation Account (RMRA), which is created within the State Transportation Fund. The RMRA funds shall be spent on basic road maintenance and rehabilitation, critical safety projects, and several other transportation programs.
- 6) Requires 50% of the diesel excise tax increase (\$0.10), estimated at \$300 million, to be annually deposited into the Trade Corridor Enhancement Account (TCEA) to fund corridor-based freight projects nominated by the state and local agencies.
- 7) Allocates an estimated \$750 million annually for public transportation capital projects and operating expenses. These funds are derived from a portion of the diesel sales tax increase (3.5%) and an annual appropriation of \$350 million from the TIF. The increase in the diesel sales tax will fund local transit operators through the existing State Transit Assistance Program (STA), with funding allocated by existing formulas, and also provide funding for commuter and intercity passenger rail service. Allocates \$350 million from the TIF to the Transit Intercity Rail Capital Program (TIRCP) for transit capital projects.
- 8) Requires the outstanding loans made to the General Fund from various transportation special funds, a total of \$706 million, be repaid over three years. The funds will be allocated as follows: \$236 million for the TIRCP, up to \$20 million for planning, \$225 million for SHOPP, and \$225 million for local agencies.
- 9) Requires certain programs to be funded annually from the newly created RMRA. Specifically, \$200 million is set aside for local entities that have passed local sales and use taxes and/or developer fees for transportation purposes; \$100 million for the active transportation program for bicycle and pedestrian projects; \$400 million for bridge and culvert repair; \$25 million for freeway service patrols, \$25 million for local and regional SB 375 planning; and \$7 million for university transportation research. Additionally, \$5 million per year for five years (\$25 million total), is set aside for the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs.
- 10) Requires the remainder of funds in the RMRA to be split 50/50 between state and local governments. The state share will be allocated for road maintenance and SHOPP projects. Local funding is allocated pursuant to existing statutory formulas, where 50% goes to cities based on population and 50% goes to counties based on a combination of the number of registered vehicles and the miles of county roads. In order to receive these funds, a city and county must maintain its historic commitment to funding street and highway purposes by annually expending not less than the average of its expenditures over a specified three-year period (i.e. maintenance of effort requirement). The California Transportation Commission (CTC) shall annually evaluate each agency receiving funds to ensure that the funds are spent appropriately.
- 11) Creates the Congested Corridors Program, to be implemented by the CTC, and allocates \$250 million annually from the TIF for projects that provide congestion relief within the

state's most heavily used transportation corridors. Eligible projects can be nominated by both the state and regional transportation agencies, however, only up to half of the annual appropriation may be allocated for state-only nominated projects.

- 12) Directs the California Department of Transportation (Caltrans) to generate up to \$100 million in department efficiencies. The revenue generated through the efficiencies will be allocated to the RMRA.
- 13) Requires revenue raised by the new gasoline excise tax that are attributable to agriculture equipment use be spent on agriculture programs. Also requires revenue raised by the new gasoline excise tax attributable to Off-Highway Vehicle (OHV) uses or boating uses be spent on state parks, OHV, and boating programs.
- 14) Creates a Transportation Inspector General, subject to Senate confirmation, within the newly created Caltrans Office of Audits and Investigations.
- 15) Requires additional CTC oversight of the development and management of the SHOPP program, including allocating staffing support and project review and approval. CTC will also conduct public hearings on the SHOPP.
- 16) Creates and funds an Advance Mitigation Program, administered by Caltrans, to protect natural resources through project mitigation and to accelerate project delivery.
- 17) Creates a "useful life" period where truckers subject to future, undefined regulations can get a return on their investment before being asked to replace or modify the vehicle. Thus, if the California Air Resources Board adopts future in-use regulations, trucks will not be required to turnover until they have reached 13 years from the model year the engine and emission control systems are first certified or until they reach 800,000 vehicle miles traveled; however, no longer than 18 years from the model year the engine and emission control systems are first certified for use.
- 18) Prohibits the Department of Motor Vehicles (DMV), starting in 2020, from registering or renewing the registration of specified medium and heavy duty diesel trucks unless the truck owner can demonstrate full compliance with applicable emission requirements.

EXISTING LAW:

- 1) Levies a variety of taxes and fees on gasoline, diesel fuel, and motor vehicles including, but not limited to, a per gallon gasoline excise tax, an excise and sales tax on diesel fuel, and an annual vehicle registration fee. These taxes and fees are currently levied at the following rates:
 - a) Gasoline excise tax: \$0.278 per gallon
 - b) Diesel excise tax: \$0.16 per gallon
 - c) Diesel sales tax: 6.5%
 - d) Vehicle registration fee: \$53 per vehicle annually

- 2) Directs the revenue generated through these taxes and fees to be used for various transportation programs and to fund the DMV and California Highway Patrol (CHP). In general, the gasoline and diesel excise taxes are spent on state and local road maintenance and construction through the SHOPP and state maintenance program and to city and county governments through specific formula-based subvention. Vehicle registration fees are used to fund DMV and CHP operations. The diesel sales tax provides funding for local transit operators, which is distributed by specific formulas.
- 3) Establishes the "Gas Tax Swap," approved by the Legislature in 2011 (AB 105 [Committee on Budget], Chapter 6, Statutes of 2011), which replaced the existing state portion of the sales tax on gasoline with a per gallon excise tax referred to as the PBET. The Gas Tax Swap requires the State Board of Equalization to annually adjust the excise tax to match revenue that would have been generated by the former sales tax. Revenues generated from the PBET are first used to backfill the State Highway Account for the transfers of weight fees for transportation debt service and are then distributed as follows:
 - a) 44% STIP;
 - b) 44% cities and counties for local streets and roads; and,
 - c) 12% SHOPP
- 4) Establishes the TIRCP program, a grant program designed to fund certain capital and operational projects for transit and passenger rail providers. TIRCP is currently funded by the state's cap and trade program authorized by AB 32 (Núñez), Chapter 488, Statutes of 2006.
- 5) Requires Caltrans to develop an asset management plan for the SHOPP, with approval by the CTC, to prioritize the state highway assets for funding purposes.

FISCAL EFFECT: According to the Senate Appropriations Committee, this bill is expected to generate an amount equivalent to \$52.4 billion in transportation revenues over a ten-year period, approximately \$26.6 billion of which would be dedicated for local expenditures and \$25.8 billion for state purposes. Overall revenues are estimated at \$2.78 billion in 2017-18, \$4.55 billion in 2018-19, and \$4.88 billion in 2019-20. Revenues are generally expected to increase annually thereafter, once all revenue sources are fully implemented and specified adjustments are made each year by the CPI, eventually reaching approximately \$6.5 billion by 2026-27.

COMMENTS: California has not increased the gas tax in 23 years. Since then, California's population has grown by eight million, with millions more cars and trucks on our roads. Californians also drive more than 350 billion miles a year – more than any other state – yet road and transit investments have not kept pace with this growth.

The deterioration of California's state and local streets and roads and state highway system has been widely documented. Specifically, the state highways system is facing \$59 billion deferred maintenance backlog for road maintenance and repairs. The total shortfall for local streets and roads maintenance is approximately \$7.3 billion annually.

Each California driver spends approximately \$700 per year in extra vehicle repairs caused by rough roads. With the winter storms this year already costing over \$800 million in emergency work on state highways alone, this number is sure to grow.

State highways and local streets and roads are not the only areas in need of additional funding for basic maintenance and upkeep. Transit operators are similarly experiencing their own respective funding shortfalls, estimated to be \$72 billion over the next ten years.

According to the author, this bill is a consensus bill between the Senate, Assembly, and the Governor that solves a crisis that threatens our deteriorating streets and highways. This bill will provide additional resources for the state to repair the infrastructure under its jurisdiction and it also distributes billions of dollars at the local level for road maintenance. Furthermore, this bill provides additional funding for trade corridor improvements, transit, and active transportation facilities.

In addition to new funding, this bill contains a number of policy reforms to ensure accountability and transparency of state and local programs funded by the bill. Specifically, this bill creates the Independent Office of Audits and Investigations within Caltrans to ensure the department and external entities are expending state and federal resources efficiently and effectively. The new Inspector General would be appointed by the Governor and confirmed by the Senate and would report annually to the Legislature. This bill also increases oversight of Caltrans and the state highway program by directing CTC to review and approve scope, cost, and schedule of all SHOPP projects, including capital outlay support. Caltrans would have to come back to the CTC for project scope changes or budget overruns. CTC reviews projects and discusses issues in regular public hearings for transparency and accountability.

This bill also includes new 10-year performance targets for the state highway program, including requiring not less than 98% of pavement on the state highway system be in good or fair condition; not less than 90% level of service achieved for maintenance of potholes, spalls, and cracks; not less than 90% of culverts in good or fair condition; not less than 90% of the transportation management system units in good condition; and to fix not less than an additional 500 bridges.

Local governments are also subjected to new reporting and oversight by CTC for the new funding revenue, including submitting yearly project lists and maintaining their current level of local general fund contributions to their roads systems. Additionally, the state's transit operators are required to report to the State Controller for new funding provided for "State of Good Repair" projects.

Analysis Prepared by: Melissa White / TRANS. / (916) 319-2093

FN: 0000097

Overview of the 2017 Transportation Funding Package

MAC TAYLOR • LEGISLATIVE ANALYST • JUNE 2017

Summary

In April 2017, the Legislature enacted Chapter 5 (SB 1, Beall), also known as the Road Repair and Accountability Act. The administration estimates this legislation will increase state revenues for California's transportation system by an average of \$5.2 billion annually over the next decade. In this report, we (1) provide a brief background on the state's transportation system, (2) describe the major features of the transportation funding package contained in the legislation, and (3) discuss issues for the Legislature to consider moving forward. (Though California's transportation system also is supported by federal and local funds, this report focuses only on state funding given the purview of SB 1.)

CALIFORNIA'S TRANSPORTATION SYSTEM

The state's transportation system helps to move people and goods around and through the state. State funding primarily supports three segments:

- **State Highways.** The state's highway system includes about 50,000 lane-miles of pavement, 13,000 bridges, and 205,000 culverts (pipes that allow naturally occurring water to flow beneath a roadway). The California Department of Transportation (Caltrans) is responsible for maintaining and rehabilitating the highway system.
- **Local Streets and Roads.** The state has over 300,000 paved lane-miles of local streets and roads, including nearly 12,000 bridges. California's 58 counties and 482 cities own

and maintain these streets and roads. They also operate and maintain other aspects of their local street and road systems, such as traffic signals and storm drains.

- **Transit Operations.** There are 200 transit agencies in California that primarily operate bus, light rail, and subway systems. These transit systems are generally owned and operated by local governments, such as local transit authorities.

As we discuss below, SB 1 increases state funding for these transportation segments from various state transportation taxes and fees, including gasoline excise taxes, diesel excise and sales taxes, and vehicle taxes and fees.

MAJOR FEATURES OF THE 2017 TRANSPORTATION FUNDING PACKAGE

This section consists of three parts. First, we describe the funding package's revenues. Second, we describe its spending provisions. Lastly, we discuss accountability and other measures contained in the legislation.

INCREASES STATE TRANSPORTATION REVENUES

Figure 1 shows the tax and fee rate increases established by SB 1. The legislation increases both gasoline and diesel taxes, while also creating new vehicle taxes and fees to fund transportation. Figure 2 shows the share of revenues from each tax and fee increase. (Because the tax and fee rate increases are phased in over the next several years, the associated revenue increases cited here and throughout the remainder of this report reflect the administration's estimated annual average increase over the next decade.) As shown, the gasoline excise tax increases and the new Transportation

Improvement Fee are the two largest revenue sources. Altogether, the administration projects ongoing revenues to increase by \$5.2 billion annually. Currently, state funding for transportation from these and other revenue sources (such as truck weight fees and cap and trade auction revenues) total about \$7.5 billion annually. Below, we provide more detail on each revenue increase.

State Fuel Taxes

Gasoline Taxes (\$2.5 Billion). The state currently has two excise taxes on each gallon of gasoline: a base tax and a variable "swap" tax. (We note that there is also a federal excise tax of 18.4 cents per gallon.)

- **Base Excise Tax (\$2.2 Billion).** This tax is set in state law at 18 cents per gallon. Starting November 1, 2017, the transportation funding package adds a

12 cent per gallon base excise tax—bringing total base excise taxes to 30 cents per gallon. It also adjusts the rates for inflation starting in 2020. These changes are expected to raise \$2.2 billion annually.

- **Swap Excise Tax (\$300 Million).** Currently, this tax is set annually by the Board of Equalization (BOE), which considers both gasoline price and quantity sold in an effort to mimic a sales tax on gasoline (which the swap tax replaced in 2010). The

Figure 1
Tax and Fee Rate Increases

	Current Rates	New Rates ^a	Effective Date
Fuel taxes^b			
Gasoline			
Base excise	18 cents	30 cents	November 1, 2017
Swap excise ^c	9.8 cents	17.3 cents	July 1, 2019
Diesel			
Excise ^c	16 cents	36 cents	November 1, 2017
Swap sales	1.75 percent	5.75 percent	November 1, 2017
Vehicle taxes and fees^d			
Transportation Improvement Fee	—	\$25 to \$175	January 1, 2018
ZEV registration fee	—	\$100	July 1, 2020

^a Adjusted for inflation starting July 1, 2020 for the gasoline and diesel excise taxes, January 1, 2020 for the Transportation Improvement Fee, and January 1, 2021 for the ZEV registration fee. The diesel sales taxes are not adjusted for inflation.

^b Excise taxes are per gallon.

^c Current rate set annually by the state Board of Equalization. The funding package converts the variable rate to a fixed rate.

^d Per vehicle per year.

ZEV = zero-emission vehicle.

current swap rate is 9.8 cents per gallon but will increase to 11.7 cents on July 1, 2017. Starting July 1, 2019, the funding package eliminates the swap tax and replaces it with a fixed excise tax of 17.3 cents per gallon—the rate in effect when the swap was created in 2010. It also adjusts the rate for inflation starting in 2020. These changes are expected to raise \$300 million annually. (This estimate reflects the administration's assumption that the swap tax increases to 16.9 cents just prior to the funding package fixing the rate at 17.3 cents.)

Diesel Taxes (\$1.1 Billion). The state currently collects revenue from excise and sales taxes on diesel fuel. (We note that there is also a federal excise tax of 24.4 cents per gallon.)

- **Excise Tax (\$700 Million).** Currently, this tax has a variable rate set annually by BOE. The board adjusts the rate to ensure the combined revenues from this tax and a diesel sales tax enacted in the 2010 tax swap (discussed below) are neutral compared to diesel excise tax revenues prior to the swap. The current rate is 16 cents per gallon. Starting November 1, 2017, SB 1 increases this tax by 20 cents per gallon to 36 cents per gallon and makes the rate fixed. It also adjusts the rate for inflation starting in 2020. These changes are expected to raise \$700 million annually. (This estimate reflects an assumption by the administration that the rate would have decreased to 14 cents starting July 1, 2018.)

- **Swap Sales Tax (\$350 Million).** The state also has a sales tax specific to diesel (enacted as part of the gasoline tax swap) set at 1.75 percent. The funding package increases this rate to 5.75 percent. This is expected to increase associated revenues by \$350 million annually. (In addition, state and local sales taxes on tangible goods that together average 8.5 percent statewide also apply to diesel, with revenue from a rate of 4.75 percent funding transportation. Senate Bill 1 makes no changes to this tax.)

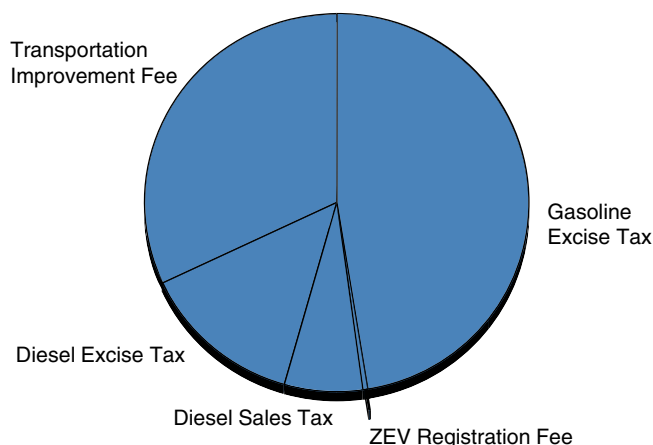
Vehicle Taxes and Fees

Transportation Improvement Fee (\$1.7 Billion). The funding package creates a new vehicle charge—called a Transportation Improvement Fee—specifically to fund transportation. Vehicle owners are to pay the fee annually at the same time they pay their vehicle registration fee. Figure 3 (see next page) shows the rate schedule for the new fee. The fee is expected to generate \$1.7 billion annually.

Figure 2

Transportation Revenue Increases

Total: \$5.2 Billion^a



^a Reflects average annual increase over the next ten years.
ZEV = zero-emission vehicle.

Figure 3**Transportation Improvement Fee Schedule**

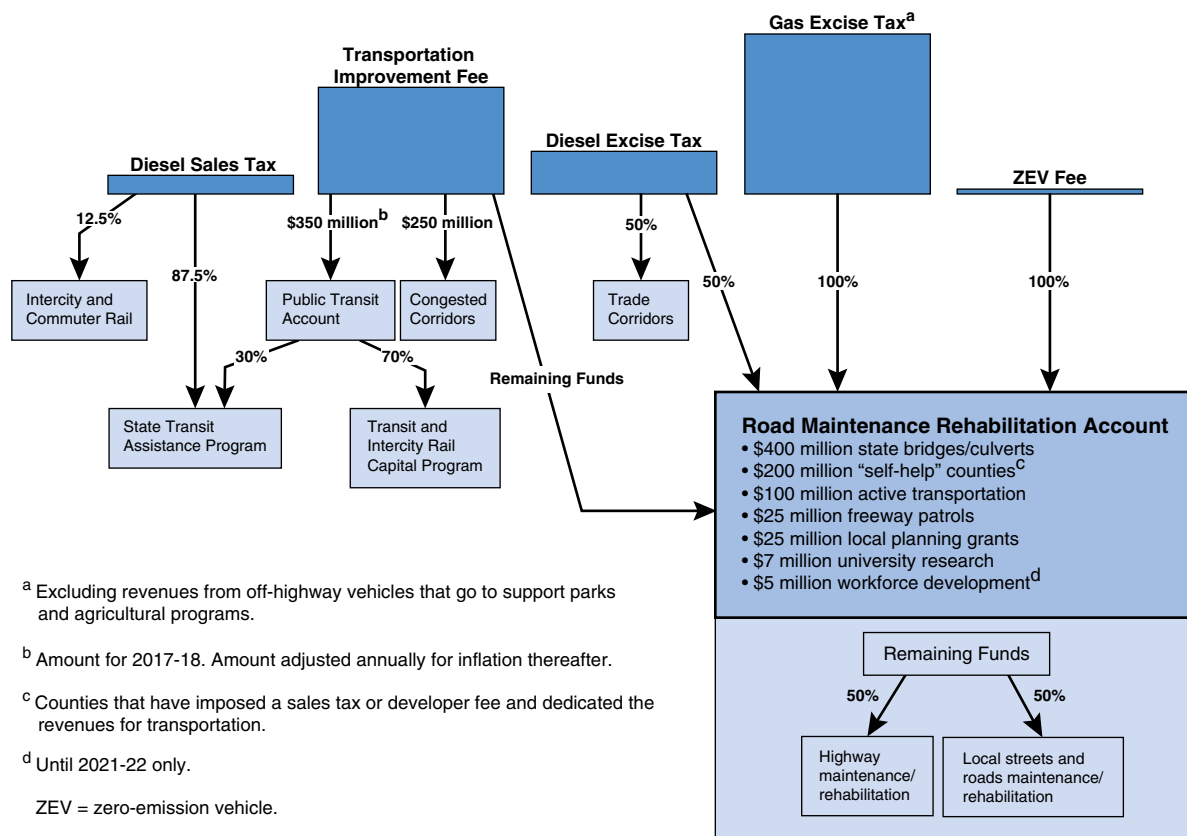
Value of Vehicle ^a	Annual Fee
\$0 to \$4,999	\$25
\$5,000 to \$24,999	50
\$25,000 to \$34,999	100
\$35,000 to \$59,999	150
\$60,000 and higher	175

^a Based on depreciated value of vehicle. Values not adjusted for inflation in the future.

Zero-Emission Vehicle Registration Fee (\$19 Million). Senate Bill 1 creates a new \$100 registration fee for zero-emission vehicles only. Called a Road Improvement Fee, it is expected to generate \$19 million annually. (The reason for this fee is because drivers of zero-emission vehicles do not pay fuel taxes like other drivers.)

INCREASES STATE TRANSPORTATION SPENDING

As shown in Figure 4, SB 1 creates a series of formulas to distribute the revenues from the new taxes and fees to different transportation programs and purposes. In most cases, the formulas split the revenues based on percentages, but in some cases the legislation sets aside fixed dollar amounts for certain programs. (Revenues from the inflation adjustments imposed by SB1 on existing taxes are distributed according to existing statutory formulas.) Figure 5 shows how much ends up being spent by each type of program. As shown, the largest spending increases are for state highways and local streets and roads. Below, we describe the specific transportation programs that receive the new revenues. (Additionally, as we discuss in the box on page 6, a proposed constitutional

Figure 4**Formulas for Distributing New Transportation Revenues**

amendment would add to existing restrictions on the use of transportation revenues.)

State Highway Programs

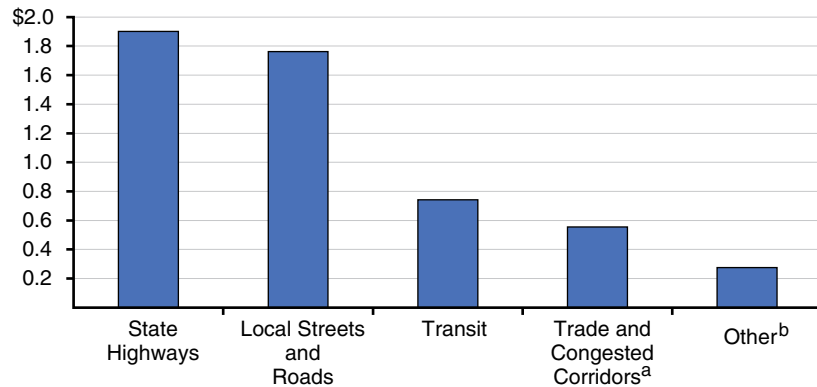
The funding package includes \$1.9 billion annually specifically for state highways. This includes funding for:

- Maintenance and Rehabilitation (\$1.8 Billion).***
 Caltrans' Highway Maintenance Program performs minor maintenance (such as roadside landscaping) and major maintenance (such as laying a thin overlay of pavement) on highways that are in good or fair condition, while its State Highway Operations and Protection Program (SHOPP) delivers capital projects to rehabilitate or reconstruct highways when they reach the end of their useful life. The administration estimates that the funding package will increase ongoing revenues for highway maintenance and rehabilitation by \$1.8 billion annually, including \$400 million specifically for bridges and culverts. The funding package does not designate revenues between the two programs, leaving it up to the annual budget act. (Additionally, the legislation makes a \$225 million loan repayment from the General Fund to the SHOPP.)
- Capacity Expansion (\$33 Million).***
 The State Transportation Improvement Program (STIP) is the state's program for improving transportation systems, generally by increasing their capacity.

Figure 5

Transportation Spending Increases

(In Billions)



^a Programs can involve a combination of state highway, local street and road, and transit projects.

^b Includes active transportation program (for pedestrian walkways and bicycle paths), local transportation planning grants, freeway service patrols, university transportation research, workforce development programs, agricultural and parks programs, and administration.

The administration estimates the funding package will increase revenues for state STIP projects by \$33 million annually. (As discussed further below, STIP also funds local road improvements.)

Local Streets and Roads Programs

The funding package includes about \$1.8 billion annually specifically for local streets and roads. This includes funding for:

- Maintenance and Rehabilitation (\$1.7 Billion).*** The funding package increases revenues for local road maintenance and rehabilitation by \$1.5 billion annually, and it distributes this funding to local jurisdictions according to existing statutory formulas based on factors such as population and number of registered vehicles. The package also sets aside an additional \$200 million annually for road maintenance and rehabilitation for counties that have enacted developer fees or voter-approved taxes dedicated specifically to transportation.

The California Transportation Commission (CTC) is to determine how to allocate the funds. (Additionally, the legislation makes a \$225 million loan repayment from the General Fund to the local streets and roads program.)

- **Capacity Expansion (\$100 Million).** The administration estimates the local share of the funding package’s revenues for STIP will total about \$100 million annually. (These funds primarily support streets and roads but in some cases could be used for transit projects as well.)

Transit Programs

The funding package includes about \$750 million annually for three transit programs:

- **State Transit Assistance Program (\$430 Million).** This program distributes funding to transit operators based on a formula. The funds can be used for either operational support or to fund capital projects based on local priorities. The administration estimates the funding package will increase state revenues for this program by about \$430 million annually.

Proposed Constitutional Amendment Related to Funding Package

Currently, the State Constitution places restrictions on the use and borrowing of certain state transportation revenues. A companion measure to the transportation funding package, Chapter 30 of 2017 (ACA 5, Frazier), proposes to amend the State Constitution to place similar restrictions on transportation revenues not covered by existing constitutional provisions. Additionally, the measure adds to existing exemptions on certain transportation spending from counting toward a constitutional spending limit. The measure will go before the voters in June 2018. Below, we summarize its provisions.

Spending Restrictions. ACA 5 requires that revenues from the Transportation Improvement Fee established in the transportation funding package only be spent on specified transportation purposes. These purposes are researching, planning, constructing, improving, maintaining, and operating public streets and highways and transit systems. ACA 5 also prohibits the state from using Transportation Improvement Fee revenues to pay for debt service on state transportation general obligation bonds authorized on or before November 8, 2016. Additionally, ACA 5 requires that revenues from the diesel sales swap tax be restricted to transportation planning and mass transportation purposes. (Currently, such revenues could be used for any general purpose.)

Borrowing Restrictions. ACA 5 restricts the Legislature from borrowing Transportation Improvement Fee and diesel sales swap tax revenues, except in limited circumstances when the General Fund is exhausted.

Spending Limit Exemptions. The State Constitution currently includes spending limits—technically, appropriations limits—on the state and most local governments, known as “Gann limits.” The Constitution exempts certain appropriations from these limits, including appropriations from a portion of gas excise tax revenues and appropriations for capital outlay (including transportation capital outlay). ACA 5 adds to these exemptions by excluding all appropriations from revenues raised by the transportation funding package.

- ***Transit and Intercity Rail Capital Program (\$270 Million)***. This is a competitive grant program that awards funding to transit and rail capital projects, including intercity, commuter, and urban rail projects, as well as projects for bus and ferry transit systems. The program requires projects to meet certain criteria, such as reducing greenhouse gas emissions. The administration estimates the funding package will increase state revenues for this program by about \$270 million annually. (Additionally, the legislation makes a \$256 million loan repayment from the General Fund to this program, with up to \$20 million of this repayment amount available for local and regional agencies to plan for climate changes.)
- ***Commuter Rail and Intercity Rail (\$44 Million)***. Senate Bill 1 creates a new stream of revenues for commuter and intercity rail operations and capital improvements. The legislation splits funding equally between commuter rail and intercity rail. The California Transportation Agency is to develop guidelines to allocate funding among eligible rail agencies. The administration expects the funding package to provide \$44 million annually for both commuter and intercity rail combined.

Trade and Congested Corridor Programs

The funding package includes a total of about \$560 million annually for two new programs to improve trade corridors and congested corridors. These programs, which can support state highways, local streets and roads, or transit, include:

- ***Trade Corridor Enhancements Program (\$310 Million)***. Under this program, Caltrans and local agencies can apply for funds for corridor-based freight

projects. (Proposition 1B of 2006 created a similar program.) The administration estimates this program will receive about \$310 million annually.

- ***Solutions for Congested Corridors Program (\$250 Million)***. This is another new program created by SB 1. Under the program, Caltrans and local agencies can apply to the CTC to fund projects that address transportation, environmental, and community access improvements within highly congested travel corridors. The legislation sets aside \$250 million annually for the program.

Other Programs

The funding package includes about \$270 million annually for various other programs, including:

- ***Active Transportation Program (\$100 Million)***. This program funds bicycling and pedestrian improvement projects. Funds in the program are allocated through competitive grants with half of the funds distributed to projects selected by the state, 40 percent distributed to projects selected by large urban regions, and 10 percent for projects selected by rural and small urban regions. The funding package increases funding for this program by \$100 million annually.
- ***Freeway Service Patrols (\$25 Million)***. Caltrans, the California Highway Patrol, and local agencies jointly operate freeway service patrols that remove disabled vehicles from state freeways in order to mitigate traffic congestion. Senate Bill 1 increases funding for this program by \$25 million annually.

- **Local and Regional Planning (\$25 Million).** The funding package provides \$25 million annually for a new program of local planning grants. These grants are to encourage local and regional planning that further state goals.
- **University Transportation Research (\$7 Million).** Four University of California campuses currently have transportation research centers. The funding package provides \$5 million altogether annually for these centers. Additionally, the legislation appropriates \$2 million annually to the California State University to conduct similar research activity.
- **Workforce Development (\$5 Million).** The funding package appropriates \$5 million annually from 2017-18 through 2021-22 to the California Workforce Development Board to assist local agencies in promoting pre-apprenticeship training programs. These training programs are to focus on delivering certain projects funded by SB 1.
- **Parks and Agricultural Programs (\$108 Million).** The funding package sets aside the increased base gasoline excise tax revenues from off-highway vehicles and boats for the California Department of Parks and Recreation for general purposes. The administration expects these revenues to total \$82 million annually. In addition, the legislation sets aside the increased base gasoline excise tax revenues from agricultural vehicles—estimated at \$26 million annually—for the California Department of Food and Agriculture.

INCLUDES ACCOUNTABILITY AND OTHER PROVISIONS

The transportation funding package includes several other provisions beyond raising and

spending new revenues. Most of these provisions concern oversight of the new funding as well as certain aspects of Caltrans' operations. Below, we summarize each provision.

Sets Preliminary Performance Outcomes for Caltrans. Senate Bill 1 states legislative intent for Caltrans to achieve five outcomes by the end of 2027. Caltrans is to report annually to the CTC on its progress in meeting the outcomes. The commission is to evaluate Caltrans's progress toward the outcomes and include any findings in its annual report to the Legislature. The five outcomes are:

- At least 98 percent of state highway pavement in good or fair condition.
- At least 90 percent level of service for maintenance of potholes, spalls, and cracks.
- At least 90 percent of culverts in good or fair condition.
- At least 90 percent of transportation management system units in good condition.
- At least an additional 500 bridges fixed.

Expects Caltrans to Operate More Efficiently. Senate Bill 1 requires Caltrans to implement unspecified efficiency measures with the goal of generating at least \$100 million annually in savings to redirect toward maintaining and rehabilitating state highways. Caltrans is to report on these savings to the CTC.

Creates New Independent Office of Audits and Investigations for Caltrans. This new office is responsible for ensuring Caltrans and its contractors (including local agencies) spend funding efficiently, economically, and in compliance with state and federal requirements. The office is to report its findings annually to the

Governor and the Legislature. The Governor is to appoint an Inspector General to oversee the office, subject to Senate confirmation, for a six-year term.

Modifies Approval Process for Caltrans'

Biannual Proposal of Rehabilitation Projects.

Currently, the CTC reviews and approves Caltrans' proposed plan for rehabilitation projects every other year. The funding package alters the current approval process in a few ways, such as by requiring (1) CTC to allocate funds for capital outlay support for each project phase and (2) Caltrans to receive the commission's approval for changes to a programmed project or increases in capital or support costs (above a certain threshold).

Establishes Requirements for Local

Governments to Receive Funding. To be eligible to receive SB 1 funding for streets and roads maintenance and rehabilitation, the legislation requires cities and counties to spend at least as much on transportation from their unrestricted funds as they spent from 2009-10 through

2011-12, on average. The State Controller's Office is authorized to perform audits to ensure compliance. Additionally, cities and counties must submit to the CTC a list of proposed projects approved by the city council or county board of supervisors.

Other Provisions. Other major provisions in the legislation (1) create an Advance Mitigation Program at Caltrans to protect natural resources and accelerate project delivery, (2) require Caltrans to create a plan to increase contracts awarded to certain groups (such as small businesses), (3) require Caltrans to incorporate the "complete streets" design concept into its highway design manual, (4) require the Department of Motor Vehicles to confirm certain trucks are in compliance with state air pollution standards as a condition of registration starting in 2020, and (5) prohibit state and local regulations requiring a truck to meet stricter air pollution standards for up to 18 years after it is first certified for use.

ISSUES FOR LEGISLATIVE CONSIDERATION

While SB 1 included specific funding allocations to individual programs, it left some implementation details up to future legislative and administration actions. On May 11, 2017, the Governor released his May Revision budget proposal for 2017-18, which addresses some implementation issues. We discuss these issues below. Additionally, we discuss at the end overarching issues for the Legislature to consider regarding oversight and accountability.

Allocating State Highway Funding. As previously indicated, one area where the legislation does not explicitly allocate funding is between state highway maintenance and rehabilitation programs. In his May Revision, the Governor allocates slightly more funding from the new revenues to highway

maintenance as compared to rehabilitation. As maintenance projects can help prevent more costly rehabilitation projects in the future, the Legislature could consider allocating more funding to maintenance to achieve long-term savings.

Establishing Program Guidelines. Most of the programs funded through SB 1 already are in existence. The legislation, however, creates a few new programs, such as one for commuter and intercity rail and another for trade corridors. CTC and the California State Transportation Agency are tasked with developing guidelines for the new programs. Nonetheless, the Legislature could consider specifying in statute certain program requirements. In his May Revision, for example, the Governor proposes trailer bill language for the

trade corridor program that establishes various program requirements, such as for 60 percent of funds to support projects nominated by local and regional agencies and 40 percent for projects nominated by Caltrans.

Increasing Efficiency at Caltrans. As described earlier, SB 1 includes several measures to increase efficiency at Caltrans, such as by creating a new Inspector General to find ways to improve the department's operations and by setting an expectation for Caltrans to achieve efficiency savings. As part of his May Revision, the Governor proposed an initial staffing plan for the Inspector General's office but certain key questions remain unanswered, such as how the Inspector General would select audits and investigations to perform. Additionally, the administration did not present a plan for Caltrans to operate more efficiently and achieve the expected \$100 million in savings (though its spending plan documents reflect the savings). One way our office in the past has recommended having Caltrans operate more efficiently is by reducing its capital outlay support staff relative to the volume of capital projects the department delivers. The Governor's May Revision takes a step in this direction by reducing capital outlay support staff, but it also leaves open the possibility for staffing augmentations in 2017-18 after the enactment of the budget.

Ensuring Oversight and Accountability.

Though SB 1 establishes various long-term performance outcome measures for highway conditions, the legislation does not include specific mechanisms for holding the administration accountable for achieving these outcomes nor does it set interim benchmarks against which to measure the administration's progress in the near term. To improve its oversight of the new funding, we encourage the Legislature to begin now considering how to hold the administration accountable in the near term. For instance, the Legislature could establish in state law interim outcome measures against which to measure the administration's progress in achieving the longer-term outcomes contained in SB 1. It also could consider consequences should the administration not achieve these interim outcome measures. For instance, the Legislature could consider reprioritizing funding across programs (such as from rehabilitation to maintenance) or enacting organizational or governance changes to state transportation agencies to improve their effectiveness (such as by further strengthening the authority of CTC to oversee Caltrans' rehabilitation projects by authorizing the commission to approve or reject individual projects, rather than an entire program of projects).

LAO Publications

This brief was prepared by Paul Golaszewski and reviewed by Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This brief and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, CA 95814.

REPORT

DATE: April 19, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: Metro Grant Applications: INFRA and SB 1

RECOMMENDED ACTION


For information only.

BACKGROUND

Over the course of the past year, two significant sources of transportation funding, one federal and one state, have been implemented. On June 29, 2017, the U.S. Department of Transportation announced the Infrastructure for Rebuilding America (INFRA) discretionary grant program, which is a rebranding of the former FASTLANE grant competition. This program made \$1.5 billion available to projects which support economic vitality and improve vital sections of infrastructure which are in need of repair. Additionally, on April 28, 2017, Governor Jerry Brown signed SB 1 (Beall) into law. This major transportation funding bill provides the state and its local agencies with billions of dollars in new transportation funding to improve the state's infrastructure, fund needed repairs, improve and expand transit systems, and fund active transportation grants and projects.

Mr. Michael Cano, a Deputy Executive Officer for Goods Movement and State/Federal Policy and Programming with LA Metro, will share with this Committee how Metro pursued funding through both INFRA and SB 1, and which LA County projects Metro submitted INFRA applications for, and which San Gabriel Valley projects Metro submitted SB 1-related applications for.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – INFRA and SB 1 Metro Presentation Slides -- Page 77

INFRA and SB 1

Metro Grant Applications

Michael Cano, Deputy Executive Officer



INFRA (Infrastructure for Rebuilding America)

Rebranding of former FASTLANE grant competition

\$1.5 billion available overall for applications submitted
November 2017 – covers FY 17 and FY 18

USDOT updated criteria for INFRA:

- Supports economic vitality at the national and regional level
- Leverages federal funds more effectively
- Uses innovative approaches to improve safety and expedite project delivery
- Holds grant recipients accountable for performance



INFRA (Infrastructure for Rebuilding America)

No agency could submit more than three applications

Highly competitive federal grant program

Metro partnered with the California Department of Transportation (Caltrans) in support of applications

Worked with SCAG and OCTA / SBCTA to secure State support to submit a State INFRA application including the **SR 57/60 Confluence Chokepoint Program**

- Featured in the ***America's Global Freight Gateway: Southern California Highway Strategy*** application



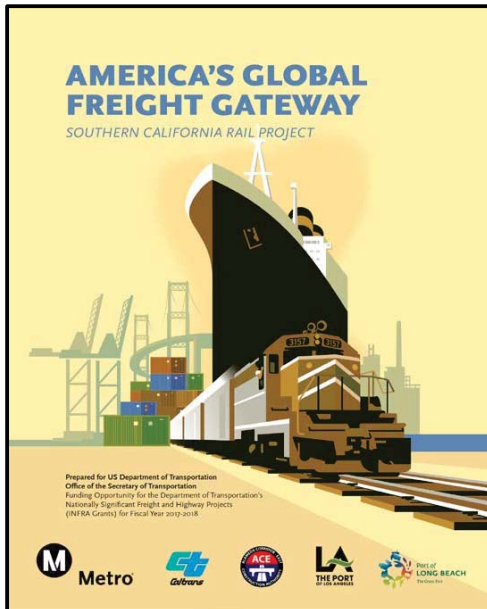
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Los Angeles County INFRA Project Applications

Applicant	Project	INFRA Request	Eligible Project Cost	INFRA % of Cost
Caltrans (State of California)	America's Global Freight Gateway: Southern California Highway Strategy <i>*Includes SR 57/60</i>	\$155.0 M	\$975.5 M	15.9%
Metro <i>*Joint with ACE and POLA / POLB</i>	America's Global Freight Gateway: Southern California Rail Project <i>*Includes ACE's Montebello Boulevard and Durfee Avenue projects</i>	\$117.2 M	\$654.8 M	17.9%
Metro	Interstate 5 Golden State Chokepoint Relief Program	\$57.0 M	\$603.7 M	9.4%
Metro	Regional Expresslanes Accelerator: I-105 HOT Lanes	\$80.0 M	\$348.9 M	22.9%



America's Global Freight Gateway: Southern California Rail Project



Metro joint application with

- ACE
- Port of LA + Port of Long Beach

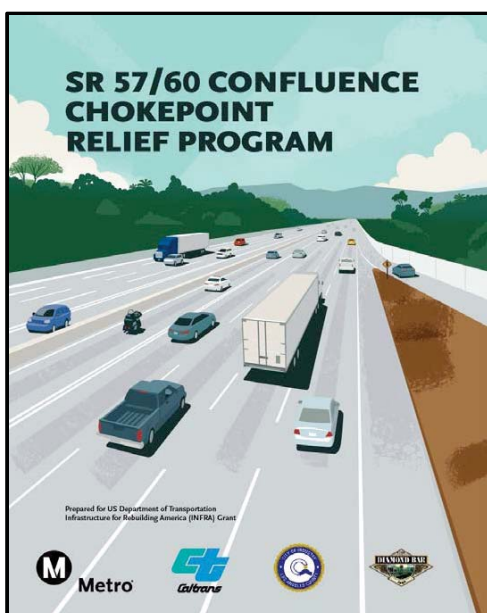
ACE Projects:

- Durfee Avenue Grade Separation
 - \$15 M INFRA request
 - \$88 M project cost
 - INFRA = 17%
- Montebello Boulevard Grade Separation
 - \$35 M INFRA request
 - \$128.6 M project cost
 - INFRA = 27%



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America's Global Freight Gateway: Southern California Highway Strategy



Caltrans joint application with

- Metro + OCTA + SBCTA

Components:

- SR 57/60 Confluence: Chokepoint Relief Program
 - \$65 M INFRA request
 - \$264 M project cost
 - INFRA = 17%
- SR 57 Truck Climbing Lanes
 - \$25 M INFRA request
- I-10 Corridor HOT Lanes
 - \$65 M INFRA Request



The Road Repair and Accountability Act of 2017 (Beall)

\$5.4 billion annually for highway, transit, active transportation and other transportation projects

Major Competitive Grant Programs:

- Transit Intercity Capital Program (TIRCP)
- Trade Corridor Enhancement Program (TCEP)
- Solutions for Congested Corridors Program (SCCP)
- Local Partnership Program (LPP)



Transit Intercity Rail Capital Program (TIRCP)

- Up to **\$2.4 billion** available over 5-year program (FY19 – FY 23) allocated in this cycle
 - \$1.4 billion from Public Transportation Account (via state sales tax on diesel fuel)
 - \$1.0 billion from Greenhouse Gas Reduction Funds (Cap and Trade)
- **Goal:** Fund transformative capital improvements that modernize California's intercity rail, bus, ferry, and rail transit services



SB 1 (Senate Bill 1) – TCEP

Trade Corridor Enhancement Program (TCEP)

- **\$1.34 billion** available over 3-year cycle (FY18–FY 20)
 - \$794 million from Trade Corridor Enhancement Account (50% of diesel fuel excise tax)
 - \$535 million from federal National Highway Freight Program (FAST Act, 2016)
 - \$11 million from CA Budget Act of 2015
- **Goal:** Fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, the Primary Freight Network, and other corridors with a high volume of freight movement.



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SB 1 (Senate Bill 1) – SCCP

Solutions for Congested Corridors Program (SCCP)

- **\$1 billion** available over four-year cycle (FY18–FY 21)
 - \$250 million annually from State Highway Account via State Fuel Excise Tax
- **Goal:** Fund projects designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits.



Local Partnership Program (LPP)

- **\$300 million** available over three-year cycle (FY18–FY 20)
 - 50% of LPP – statewide competitive program
- **Goal:** Reward counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes solely dedicated to transportation improvements.



Metro's Evaluative Criteria Framework

Each competitive grant program component of SB 1 has its own set of merit criteria and project eligibility requirements.

Metro staff employed the **Evaluative Criteria Framework** to assess Measure M and other Long Range Transportation Plan priorities against the eligibility, competitiveness, and risk of the new and expanded SB 1 discretionary programs.



Metro SB 1 Applications for San Gabriel Valley Projects

Project	Program	Request	Partner Agency
Gold Line Foothill Extension to Claremont*	TIRCP	\$290 M	SBCTA
SR 57/60 Confluence: Chokepoint Relief Program	TCEP	\$180 M	Caltrans (lead)
Southern California Rail Project	TCEP	\$185 M	ACE POLA/POLB
Montebello Boulevard		\$49 M	ACE
Turnbull Canyon		\$29 M	ACE
State Route 71 Freeway Conversion Project	TCEP LPP	\$44 M	Caltrans
Orange/Red Line to Gold Line BRT	TIRCP	\$50 M	-



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Thank you

Contact: CanoM@Metro.net (213) 418-3010



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REPORT

DATE: April 19, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: Metro Open Streets Cycle Three Grant

RECOMMENDED ACTION

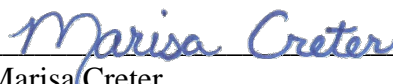
For information only.

BACKGROUND

This month, LA Metro released its application and guidelines for Cycle Three of its Metro Open Street Grant Program. Metro's funding for Open Streets programs enable jurisdictions from across LA County to organize and hold open streets and active transportation events, which provide residents the opportunity to walk, ride transit, or bike in an urban environment, and enables people to experience their City in a completely safe and new manner. These events also encourage sustainable and clean modes of transportation.

Mr. Brett Thomas, a Senior Transportation Planner with LA Metro, will present to the Committee on this item, and provide further details about the guidelines, application, and due dates for Cycle Three of the Open Street Grant Program.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Metro Open Streets Cycle Three Presentation Slides -- Page 86



Metro Open Street Grant Program

What are Open Streets?

One-day car-free events that OPEN the streets up to people walking, riding a bike, and using other forms of non-automobile transport



Goals of Metro's Open Street Grant Program

- Provide opportunity to walk, ride transit, bike in urban environment
- Encourage sustainable transportation mode share
- Encourage cities to further develop their multi-modal policies

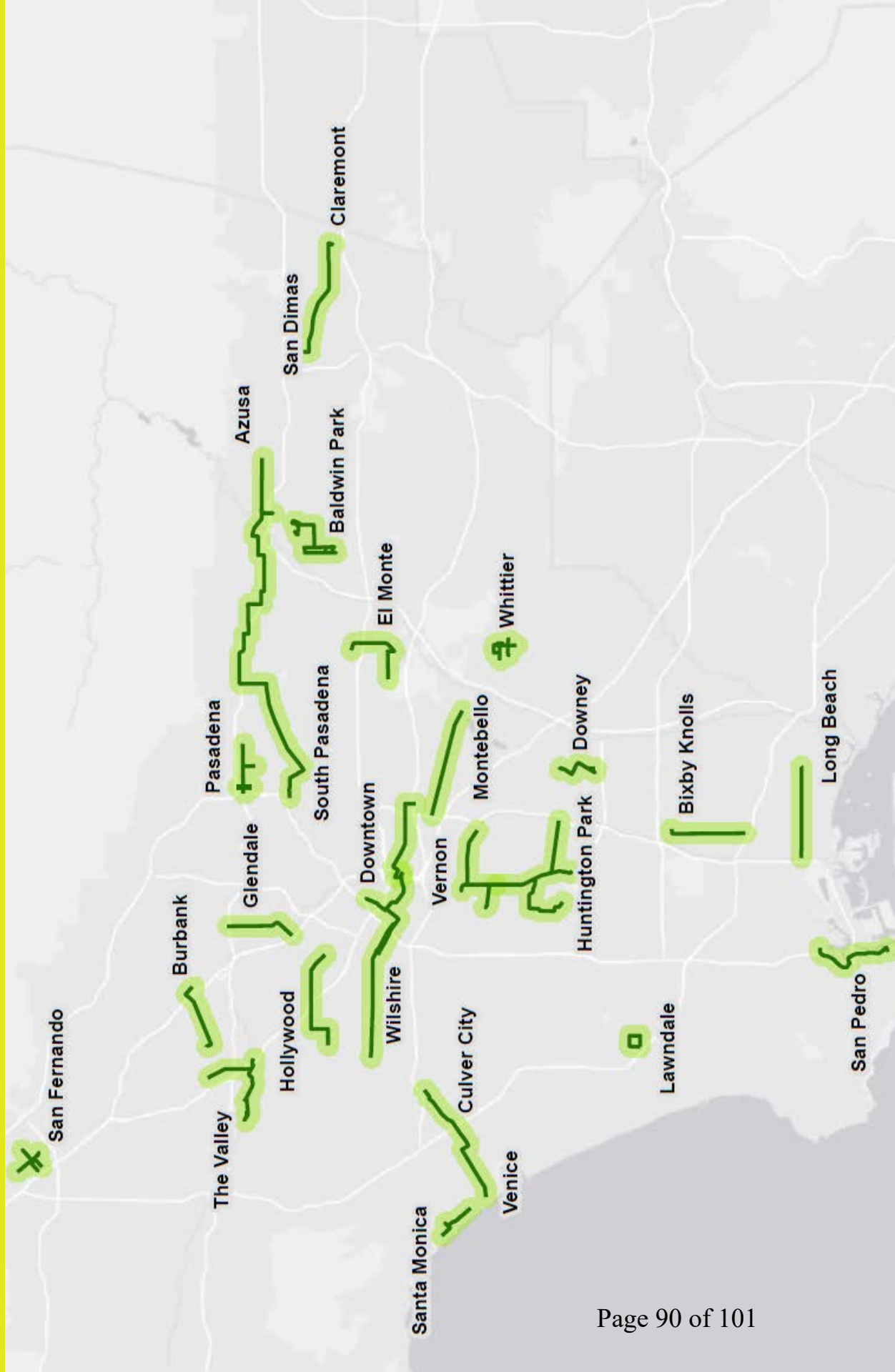


Cycle One and Two Open Street Implementation

- 28 Events Funded in 32 Jurisdictions (22 completed)
- Additional points granted to multijurisdictional events and disadvantaged communities
- Metro funded Evaluation Study
 - 8% ridership increase systemwide
 - 11% increase in TAP card sales
 - 10% increase in event day retail sales



Events Funded Across LA County



What's New For Cycle Three?

Max Funding Ceiling Increased

- Maximum of \$500,000 per application
- Additional scoring criteria awarded to multijurisdictional events

Additional points for clear plan to satisfy data collection requirements

- Standardized data collection template provided

Separate criteria for new and existing applicants

- Existing applicants demonstrate success with previous events
- New applicants demonstrate capacity to produce successful event

Additional Scoring Criteria to encourage innovative events



Cycle Three Next Steps

April, 2018 – Cycle Three Application and Guidelines released

May 8, 2018 – Applicant Workshop at Metro headquarters (9:00AM University Room, 4th Floor)

June 15, 2018 – Online application due to Metro

September 2018 – Award Cycle Three grants pending Board approval

Jan 2018 – Dec 2020 – Cycle Three events held



Questions & Answers

Brett Thomas
Sr. Transportation Planner
Countywide Planning
ThomasBJ@Metro.net

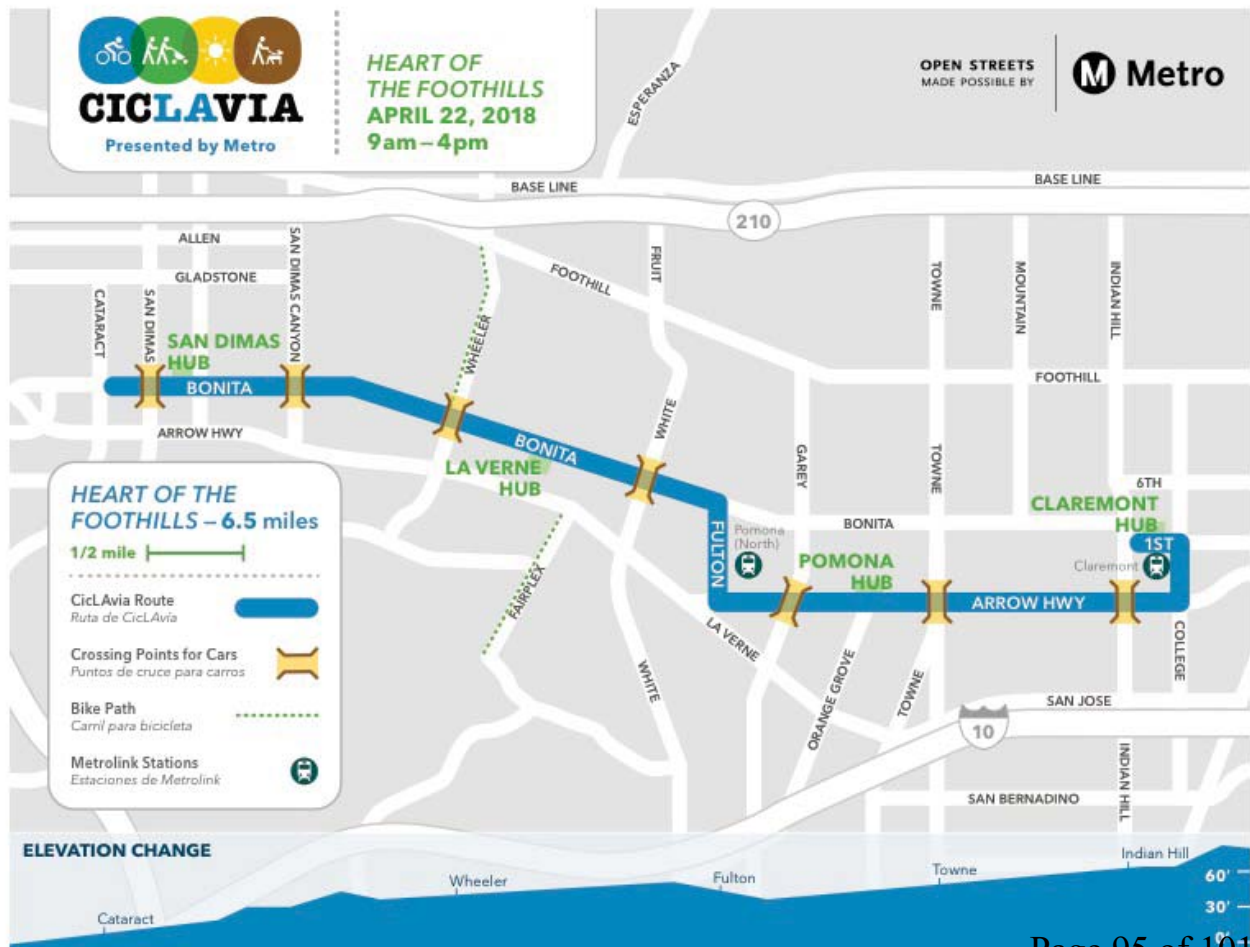
Dolores Roybal
Sr. Director
Countywide Planning
RoybalD@Metro.net



CICLAVIA
HEART OF THE FOOTHILLS
Presented by Metro

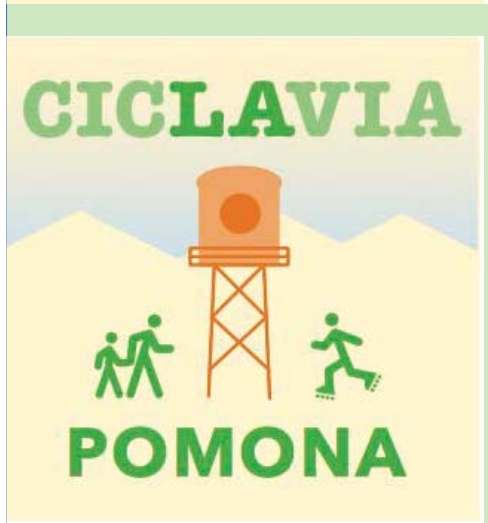
SAN DIMAS
LA VERNE
POMONA
CLAREMONT

April 22, 2018 9am-4pm





H



U



UPDATE ON ACTIVITIES AT THE HUBS

SAN DIMAS HUB

Locations:

1) BONITA AVE & CIVIC CENTER PARKING LOT

On Bonita Ave.

- CicLAvia event related booths
 - Info, First Aid, Merchandise, Bike Repair, and Others

In the Civic Center Parking Lot

- Earth Day Themed
- Kids/Family Oriented Activities – bike safety



2) HISTORIC DOWNTOWN (Btwn: San Dimas Ave-walnut)

- Music
- Food Trucks
- Sponsor Booths
- Pedi Cab Stop

LA VERNE HUB

Locations:

1) BONITA AVE & D STREET

On Bonita Ave.

- CicLAvia event related booths
 - Info, First Aid, Merchandise, Bike Repair, and Others
- Pedi Cab Stop

ON “D” STREET

- Focus on Small Business Activations – People Visiting Shops
- Music on D Street
- Outdoor Seating Areas on the street
- Local Organizations
- EV Activity



POMONA HUB

Location:

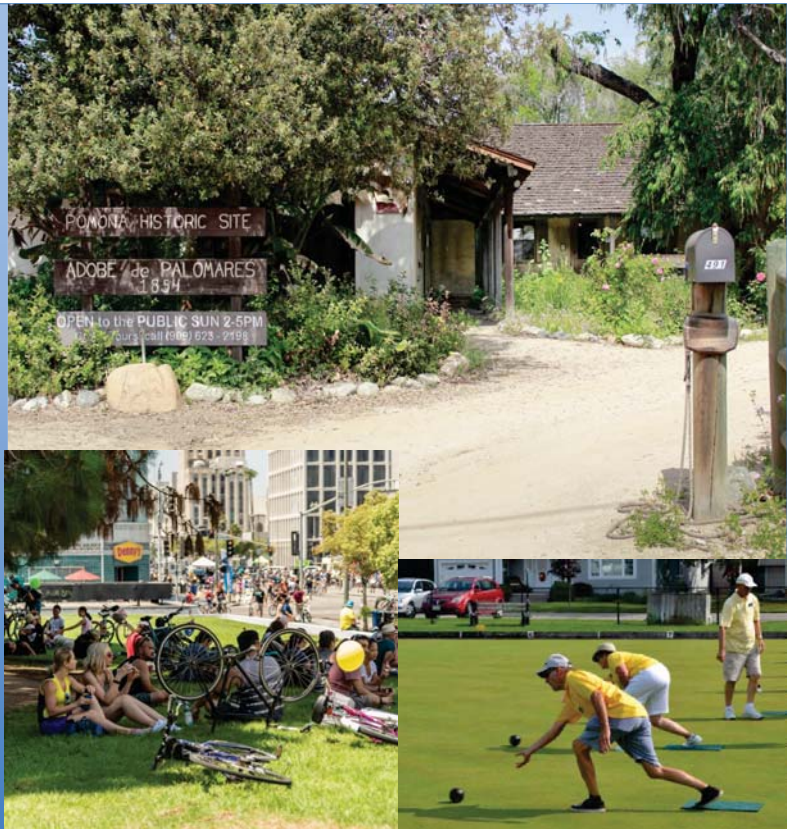
1) PALOMARES PARK

On Arrow Hwy.

- CicLAvia event related booths
 - Info, First Aid, Merchandise, Bike Repair, and Others
 - Music
 - Pedi-Cab Stop

In the Park

- Tour of Ygnacio Palomares Adobe
- Mini LA County Fair
- Lawn Bowling
- Kids/Family Oriented Activities



CLAREMONT HUB

Location:

1) 1st Street (Village) between (College/1st and Yale/1st)

On 1st Street (Near College)

- Bike Parking
- CicLAvia event related booths
 - Info, First Aid, Merchandise, Bike Repair, and Others
 - Sponsor Booths
 - Water
 - Music
 - Pedi-Cab Stop

Earth Day Sustainable Claremont

- EarthDay related Activities

Farmers Market Connection on 2nd Street





Inspiring

CICLA
VIA



Experience



"CicLAvia hasn't only allowed people to see the city and its architecture with fresh eyes. It has allowed us to see ourselves with fresh eyes."

- Christopher Hawthorne, LA Times



Transformative

CICLA
VIA



Experience



"There's nothing more inspiring than CicLAvia. It reminds me of what makes Southern California a special place. It brings us all together to celebrate and reconnect as one community. It feels like the Olympic spirit all over again." Valerie Brisco-Hooks; 3-time Olympic Gold Medalist 1984 Games

REPORT

DATE: April 19, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: San Gabriel Valley Bike Share Expansion Update

RECOMMENDED ACTION

Discuss and provide direction to SGVCOG Staff.

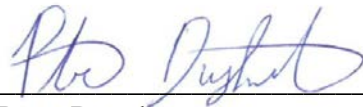
BACKGROUND

In August 2017, the California Transportation Commission (CTC) awarded the SGVCOG a \$4.554 million GGRF Grant to expand Bike Share throughout the San Gabriel Valley. This grant will fund 840 bikes in 15 participating cities.

The CTC requires that the SGVCOG submit a draft allocation package by April 2018.

At the March Transportation Committee meeting, COG staff provided an update on Bike Share planning, different technologies, and potential options for SGV cities. At this month's meeting, COG staff will provide a status update on this item, and propose how to move forward on expanding bike share throughout the SGV region.

Prepared by:



Peter Duyshart
Project Assistant

Approved by:



Marisa Creter
Executive Director