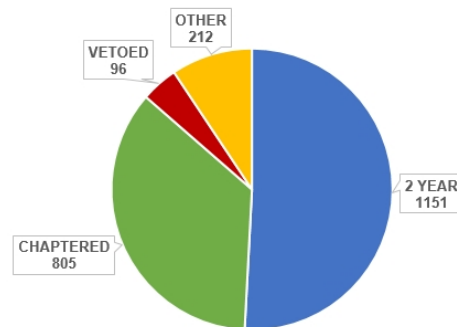


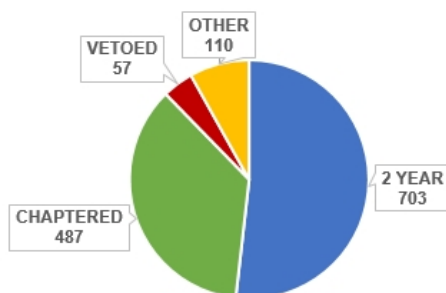
OCTOBER 2013 STATE POLICY UPDATE

Chaptered and Vetoed Bills: *Note:* These statistics are only for Assembly/Senate Bills, and do not include Constitutional Resolutions, Amendments, etc.

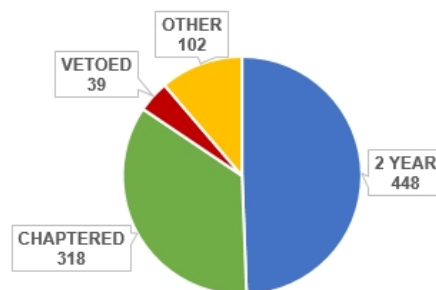
2013 Assembly/Senate Bills



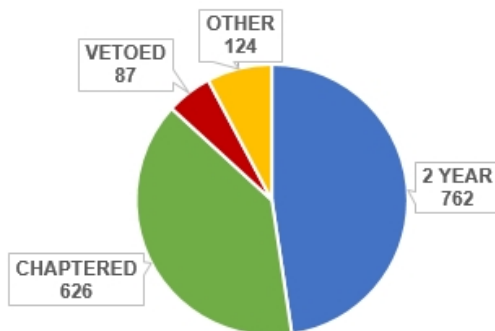
2013 Assembly Bills



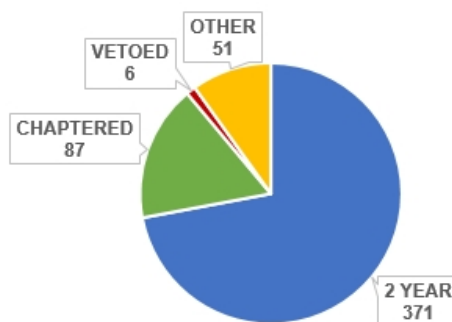
2013 Senate Bills



2013 Assembly/Senate Bills
Authored by Democrats



2013 Assembly/Senate Bills
Authored by Republicans



Below is a summary of which topics were most popular this year. The following Top 10 lists are based on the "relating to" designation in the laws section of each bill.

Top 10 "Relating To" topics for *all Introduced Bills*

Taxation	120
Vehicles	54
Local Government	43
Elections	42
Health Care Coverage	37
Transportation	35
State Government	35
Employment	34
Energy	34
Firearms	28
Grand Total	462

Top 10 "Relating To" topics for *Chaptered Bills*

Taxation	22
Local Government	18
Transportation	18
Vehicles	17
Elections	15
State Government	14
Healing Arts	13
Employment	12
Alcoholic Beverages	12
Health Care Coverage	12
Grand Total	153

ITEM IV C

**Fresno Council of Governments Monthly State Legislative Report
10/22/2013**

AB 8

(Perea D) Alternative fuel and vehicle technologies: funding programs.

Introduced: 12/3/2012

Last Amend: 9/6/2013

Status: 9/28/2013-Chaptered by Secretary of State - Chapter 401, Statutes of 2013.

Location: 9/28/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would provide that the State Air Resources Board has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any supplier, as defined, to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen-fueling station. The bill would require the state board to aggregate and make available to the public, no later than June 30, 2014, and every year thereafter, the number of hydrogen-fueled vehicles that motor vehicle manufacturers project to be sold or leased over the next 3 years, as reported to the state board, and the number of hydrogen-fueled vehicles registered with the Department of Motor Vehicles through April 30. The bill would require the commission to allocate \$20 million annually, as specified, until there are at least 100 publicly available hydrogen-fueling stations in California. This bill contains other related provisions and other existing laws.

Position

AB 14

(Lowenthal D) State freight plan.

Introduced: 12/3/2012

Last Amend: 5/6/2013

Status: 9/6/2013-Chaptered by Secretary of State - Chapter 223, Statutes of 2013.

Location: 9/6/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would require the Transportation Agency to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. The bill would require the agency to establish a freight advisory committee with various responsibilities in that regard. The initial state freight plan would be submitted to the Legislature, the Governor, and certain state agencies by December 31, 2014, and updated every 5 years thereafter.

Position

AB 21

(Alejo D) Safe Drinking Water Small Community Emergency Grant Fund.

Introduced: 12/3/2012

Last Amend: 9/3/2013

Status: 10/8/2013-Chaptered by Secretary of State - Chapter 628, Statutes of 2013.

Location: 10/8/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would authorize the Department of Public Health to assess a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and deposit that money into the Safe Drinking Water Small Community Emergency Grant Fund, which the bill would create in the State Treasury. The bill would limit the grant fund to a maximum of \$50,000,000. The bill would authorize the department to expend the money for grants for specified water projects that serve disadvantaged and severely disadvantaged communities, thereby making an appropriation.

Position

AB 28

(V. Manuel Pérez D) Economic development: enterprise zones.

Introduced: 12/3/2012

Last Amend: 4/29/2013

Status: 4/30/2013-Re-referred to Com. on J., E.D., & E.

Location: 4/30/2013-A. J., E.D. & E.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would revise various definitions for purposes of the Enterprise Zone Act and modify specified requirements for designating and administering enterprise zones and G-TEDAs, collectively. The bill would impose new requirements on the Department of Housing and Community Development with respect to the enterprise zone program and modify department and Franchise Tax Board reporting requirements. This bill contains other related provisions and other existing laws.

Position

AB 30

(Perea D) Water quality.

Introduced: 12/3/2012

Last Amend: 5/24/2013

Status: 10/8/2013-Chaptered by Secretary of State - Chapter 629, Statutes of 2013.

Location: 10/8/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Current law authorizes the State Water Resources Control Board, until 2014, to assess a specified annual charge in connection with any financial assistance made pursuant to the revolving fund program in lieu of interest that otherwise would be charged and requires the proceeds generated from the imposition of that charge to be deposited in the State Water Pollution Control Revolving Fund Small Community Grant Fund, along with any interest earned upon the moneys in the grant fund. This bill would eliminate the requirement that the charge remain unchanged until 2014 and instead would authorize the board to assess the charge without change unless the board makes a prescribed determination. This bill would require the board to replace the charge with an identical interest rate if the board ceases collecting the charge before the repayment is complete.

Position

AB 69

(Perea D) Groundwater: drinking water: Nitrate at Risk Fund.

Introduced: 1/10/2013

Last Amend: 8/12/2013

Status: 8/12/2013-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on AGRI.

Location: 8/12/2013-S. AGRI.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would establish the Nitrate at Risk Fund, to be administered by the State Department of Public Health. This bill would continuously appropriate, without regard to fiscal years, the fund to the department for the purposes of loans, principal forgiveness loans, or grants to certain water systems operating in a high-nitrate at-risk area for specified purposes. This bill would require the state board, on or before January 1, 2022, to submit a report to the Legislature that includes specified information relating to the fund and contaminated drinking water. This bill would repeal these provisions on January 1, 2024. This bill contains other related provisions and other existing laws.

Position

AB 105

(Committee on Budget) Active Transportation Program.

Introduced: 1/10/2013

Last Amend: 8/30/2013

Status: 9/10/2013-Ordered to inactive file at the request of Senator Leno.

Location: 9/10/2013-S. INACTIVE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would create the Active Transportation Program in the Department of Transportation, to be funded in the annual Budget Act from specified federal and state transportation funds, including 100% of the available federal Transportation Alternatives Program funds and federal Recreational Trails Program funds, except as specified, \$21,000,000 of federal Highway Safety Improvement Program funds or other federal funds, a specified amount of fuel tax revenues from the Highway Users Tax Account and the State Highway Account, and from other available funds. The bill would provide for funds to be allocated to eligible projects by the California Transportation Commission. This bill contains other related provisions and other existing laws.

Position

AB 115

(Perea D) Safe Drinking Water State Revolving Fund.

Introduced: 1/14/2013

Last Amend: 9/6/2013

Status: 10/8/2013-Chaptered by Secretary of State - Chapter 630, Statutes of 2013.

Location: 10/8/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would authorize a legal entity, as defined, to apply for grant funding on behalf of one or more public water systems serving disadvantaged or severely disadvantaged communities if specified requirements are met, including having a signed agreement with each public water system for which it is applying for funding. By authorizing the use of a continuously appropriated fund for new purposes, this bill would make an appropriation. This bill contains other related provisions and other existing laws.

Position

AB 145

(Perea D) State Water Resources Control Board: drinking water.

Introduced: 1/18/2013

Last Amend: 6/18/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/12/2013)

Location: 8/30/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would transfer to the State Water Resources Control Board the various duties and responsibilities imposed on the department by the California Safe Drinking Water Act. The bill would require these provisions to be implemented during the 2014-15 fiscal year. This bill contains other related provisions and other existing laws.

Position

AB 164

(Wieckowski D) Infrastructure financing.

Introduced: 1/23/2013

Last Amend: 6/5/2013

Status: 8/13/2013-Chaptered by Secretary of State - Chapter 94, Statutes of 2013.

Location: 8/13/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would require a lease agreement between a governmental agency undertaking an infrastructure project and a private entity to include performance bonds as security to ensure the completion of the construction of the facility and payment bonds to secure the payment of claims of laborers, mechanics, and materials suppliers employed on the work under contract.

Position

AB 179

(Bocanegra D) Public transit: electronic transit fare collection systems: disclosure of personal information.

Introduced: 1/24/2013

Last Amend: 9/4/2013

Status: 9/27/2013-Chaptered by Secretary of State - Chapter 375, Statutes of 2013.

Location: 9/27/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Current law, with certain exceptions, requires a transportation agency to discard personally identifiable information within 4 1/2 years, as specified. Current law provides various remedies in that regard. This bill would make these and other related provisions applicable to a transportation agency that employs an electronic transit fare collection system for payment of transit fares with respect to personally identifiable information of a person who subscribes to an electronic fare collection system. This bill contains other related provisions and other existing laws.

Position

[AB 229](#)**(John A. Pérez D) Local government: infrastructure and revitalization financing districts.****Introduced:** 2/4/2013**Last Amend:** 8/12/2013**Status:** 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2013)**Location:** 9/13/2013-A. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would authorize the creation by a city, county, city and county, or joint powers authority of an infrastructure and revitalization financing district, as defined, and the issuance of debt with 2/3 voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years, as specified. The bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. This bill contains other related provisions.

Position[AB 243](#)**(Dickinson D) Local government: infrastructure and revitalization financing districts.****Introduced:** 2/6/2013**Last Amend:** 8/19/2013**Status:** 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2013)**Location:** 9/13/2013-A. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would authorize the creation of an infrastructure and revitalization financing district, as defined, and the issuance of debt with 55% voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years, as specified. The bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. The bill would authorize the legislative body of a city, as defined, to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met. This bill contains other related provisions.

Position

Notes 1: This bill would authorize the creation of an infrastructure and revitalization financing district and the issuance of debt with 55% voter approval. The bill would authorize a district to finance projects in RDA project areas, former redevelopment project areas and former military bases if special conditions are met. The bill would authorize a district to fund various projects including: highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

[AB 327](#)**(Perea D) Electricity: natural gas: rates: net energy metering: California Renewables Portfolio Standard Program.****Introduced:** 2/13/2013**Last Amend:** 9/6/2013**Status:** 10/7/2013-Chaptered by Secretary of State - Chapter 611, Statutes of 2013.**Location:** 10/7/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would repeal the limitations upon increasing the electric service rates of residential customers, including the rate increase limitations applicable to electric service provided to CARE customers, but would require the Public Utilities Commission, in establishing rates for CARE program participants, to ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures and to adopt CARE rates in which the level of discount for low-income electricity and gas ratepayers correctly reflects their level of need, as determined by a specified needs assessment. The bill would require that this needs assessment be performed not less often than every 3rd year. This bill contains other related provisions and other existing laws.

Position[AB 417](#)**(Frazier D) Environmental quality: California Environmental Quality Act: bicycle transportation plan.****Introduced:** 2/15/2013

Last Amend: 6/13/2013

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Status: 10/7/2013-Chaptered by Secretary of State - Chapter 613, Statutes of 2013.

Location: 10/7/2013-A. CHAPTERED

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would, until January 1, 2018, exempt from CEQA a bicycle transportation plan for an urbanized area, as specified, and would also require a local agency that determines that the bicycle transportation plan is exempt under this provision and approves or determines to carry out that project, to file notice of the determination with the OPR and the county clerk. This bill contains other related provisions and other existing laws.

Position

AB 453

(Mullin D) Sustainable communities.

Introduced: 2/19/2013

Last Amend: 7/3/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/12/2013)

Location: 8/30/2013-S. 2 YEAR

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: The Strategic Growth Council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Position

Notes 1: This bill is substantially similar to, AB 2624 (Smyth, 2012) That was heard by this Committee and passed out on 9-0 vote. AB 2624 was later held on the suspense file in the Senate Appropriations Committee.

AB 466

(Quirk-Silva D) Federal transportation funds.

Introduced: 2/19/2013

Last Amend: 8/29/2013

Status: 10/11/2013-Chaptered by Secretary of State - Chapter 736, Statutes of 2013.

Location: 10/11/2013-A. CHAPTERED

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would require the Department of Transportation to allocate federal funds to regional agencies under the federal Congestion Mitigation and Air Quality Improvement Program based on a weighted formula that considers population and pollution in a given area, as specified.

Position

Notes 1: MAP-21's two-year funding cycle is expected to provide California with \$445 million in CMAQ funding. For the 2012-2013 FY, CMAQ funds were administratively distributed to MPO's like SAFETEA-LU. However, given that existing state law specifically requires these funds to be distributed based on formulas that no longer exist, it is necessary to provide some other direction to govern the distribution of these funds.

AB 481

(Lowenthal D) High-speed rail.

Introduced: 2/19/2013

Last Amend: 6/12/2013

Status: 8/26/2013-Chaptered by Secretary of State - Chapter 132, Statutes of 2013.

Location: 8/26/2013-A. CHAPTERED

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Current law provides that property acquired by the Department of Transportation for highway purposes and leased back for commercial or business uses to the former owner for a term exceeding 6 months may be insured for loss by fire at the request of the former owner with the premium for the insurance included in the rent. This bill would enact similar exceptions and

authorizations relative to real property obtained for high-speed rail purposes by the High-Speed Rail Authority. The bill would make various additional conforming changes. This bill contains other existing laws.

Position

AB 513 (Frazier D) Tire recycling program: rubberized asphalt.

Introduced: 2/20/2013

Last Amend: 9/3/2013

Status: 10/3/2013-Chaptered by Secretary of State - Chapter 499, Statutes of 2013.

Location: 10/3/2013-A. CHAPTERED

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary: Would establish the Rubberized Asphalt Concrete Market Development Act and would require the Department of Resources Recycling and Recovery, in accordance with the tire recycling program, to award grants for certain public agency projects that utilize rubberized asphalt concrete. This bill contains other related provisions.

Position

AB 528 (Lowenthal D) State Rail Plan and High-Speed Rail Authority business plan.

Introduced: 2/20/2013

Last Amend: 6/4/2013

Status: 9/6/2013-Chaptered by Secretary of State - Chapter 237, Statutes of 2013.

Location: 9/6/2013-A. CHAPTERED

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary: Would revise the items required to be included in the State Rail Plan and the business plan. The bill would require the State Rail Plan to be submitted to the California Transportation Commission for advice 6 months prior to submitting the final State Rail Plan to the Transportation Agency for approval, and, on or before March 1, 2017, would require the approved State Rail Plan to be submitted to the Legislature, the Governor, and other specified entities. The bill would require the state rail plan to be updated, at a minimum, every 5 years. This bill contains other related provisions and other existing laws.

Position

Support

AB 543 (Campos D) California Environmental Quality Act: translation.

Introduced: 2/20/2013

Last Amend: 5/24/2013

Status: 7/12/2013-Failed Deadline pursuant to Rule 61(a)(10)(SEN). (Last location was E.Q. on 6/13/2013)

Location: 7/12/2013-S. 2 YEAR

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary: Would require a lead agency to translate, as specified, certain notices required by the California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report when a group of non-English-speaking people, as defined, comprises at least 25% of the population within the lead agency's jurisdiction and the project is proposed to be located at or near an area where the group of non-English-speaking people comprises at least 25% of the residents of that area. By requiring a lead agency to translate these notices and documents, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position

AB 680 (Salas D) Transportation: interregional road system.

Introduced: 2/21/2013

Last Amend: 3/19/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 7/1/2013)

Location: 8/30/2013-S. 2 YEAR

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
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Dead	1st House	2nd House	Conc.	ITEM IV C
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Summary: Current law requires certain transportation funds made available for transportation capital improvement projects to be programmed and expended in specified amounts for interregional improvements and regional improvements. Current law specifies the state highway routes that are included in the interregional road system and the state highway routes that are eligible interregional and intercounty routes. This bill would include State Highway Route 43 as an eligible interregional and intercounty route.

Position
Support

AB 737 (Fox D) Space flight liability.

Introduced: 2/21/2013

Last Amend: 6/4/2013

Status: 7/12/2013-Failed Deadline pursuant to Rule 61(a)(10)(SEN). (Last location was JUD. on 6/13/2013)

Location: 7/12/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: The Space Flight Liability and Immunity Act requires a space flight entity, as defined, to collect a signed warning statement from each participant in space flight activities. The warning statement is required to inform the participant that there is limited civil liability for bodily injury sustained as a result of the inherent risks associated with space flight activities. This bill would include a manufacturer or supplier of components, services, or vehicles that have been reviewed by the United States Federal Aviation Administration as part of issuing a license, permit, or other authorization pursuant to specified provisions of federal law relating to commercial space launch activities as a space flight entity with limited liability for any participant injury. This bill would repeal the Space Flight Liability and Immunity Act on July 1, 2021.

Position

AB 1002 (Bloom D) Vehicles: registration fee: sustainable communities strategies.

Introduced: 2/22/2013

Last Amend: 4/23/2013

Status: 4/30/2013-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 4/24/2013-A. L. GOV.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would, in addition to any other taxes and fees specified in the Vehicle Code and the Revenue and Taxation Code, impose a tax of \$6 to be paid at the time of registration or renewal of registration of every vehicle subject to registration under the Vehicle Code in a county that is in a metropolitan planning organization required to prepare a sustainable communities strategy as part of its regional transportation plan, except as specified. This bill contains other existing laws.

Position

AB 1077 (Muratsuchi D) Sales and use taxes: vehicle license fee: alternative fuel motor vehicles.

Introduced: 2/22/2013

Last Amend: 6/15/2013

Status: 7/3/2013-In committee: Set, first hearing. Referred to APPR. suspense file.

Location: 7/3/2013-A. APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would, on and after January 1, 2014, and before January 1, 2022, exempt from sales and use taxes, that portion of the gross receipts from the sale of, and that portion of the sales price with respect to the storage, use, or other consumption of, a qualified motor vehicle, as defined, that is the greater of (1) the sum of the amount of any credit under a specified provision of the Internal Revenue Code relating to new qualified plug-in electric drive motor vehicles, and any amount received, awarded, or allowed pursuant to a state incentive program for the purchase or lease of an alternative fuel vehicle; or (2) the value of a motor vehicle that is traded in for the motor vehicle that qualifies for a credit or incentive amount under those programs, if the value of the trade-in motor vehicle is separately stated on the new motor vehicle invoice or bill of sale or similar document provided to the purchaser. This bill contains other related provisions and other existing laws.

Position

AB 1081 (Medina D) Economic development: goods-movement-related infrastructure.

Introduced: 2/22/2013

Last Amend: 8/12/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/13/2013)

Location: 8/30/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Current law requires the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure plan containing specified information concerning infrastructure needed by state agencies, public schools, and public postsecondary educational institutions, and a proposal for funding the needed infrastructure. This bill would require the infrastructure plan to include additional information, including, but not limited to, information related to infrastructure identified by state and federal transportation authorities, recommendations for private sector financing, and strategies to address state goods movement needs, as specified.

Position

AB 1194 (Ammiano D) Safe Routes to School Program.

Introduced: 2/22/2013

Last Amend: 5/24/2013

Status: 7/12/2013-Failed Deadline pursuant to Rule 61(a)(10)(SEN). (Last location was T. & H. on 6/13/2013)

Location: 7/12/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would provide that the Safe Routes to School Program may fund both construction and noninfrastructure activities, as specified. The bill would require 20% of program funds to be used for noninfrastructure activities, as specified. The bill would authorize the transfer of the responsibility for selecting projects and awarding grants from the Department of Transportation to the California Transportation Commission, at the discretion of the Transportation Agency. The bill would require the Department of Transportation to employ a full-time coordinator to administer the program.

Position

AB 1290 (John A. Pérez D) Transportation planning.

Introduced: 2/22/2013

Last Amend: 9/3/2013

Status: 10/11/2013-Vetoed by the Governor

Location: 10/11/2013-A. VETOED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would provide for 2 additional voting members of the California Transportation Commission to be appointed by the Legislature. The bill would also provide for the Chairperson of the State Air Resources Board to serve as an ex officio member without vote. This bill contains other related provisions and other existing laws.

Position

Notes 1: CalCOG agreed on May 29, 2013 to change its "oppose" position against AB 1290 to "support-with amendments" with continued negotiations with the Speaker's office. Only CalCOG has been in opposition.

ACA 8 (Blumenfield D) Local government financing: voter approval.

Introduced: 2/13/2013

Last Amend: 4/4/2013

Status: 7/10/2013-In committee: Hearing postponed by committee.

Location: 6/27/2013-S. G. & F.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would create an additional exception to the 1% limit for a rate imposed by a city, county,

city and county, or special district, as defined, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable. This bill contains other related provisions and other existing laws.

Position

AJR 6

(Fox D) Unmanned aircraft systems.

Introduced: 1/28/2013

Status: 8/15/2013-Chaptered by the Secretary of State, Chapter Number 78, Statutes of 2013

Location: 8/15/2013-A. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: The FAA is urged to consider California as one of the six test sites for unmanned aircraft systems and integration of those systems into the next generation air transportation system.

Position

SB 1

(Steinberg D) Sustainable Communities Investment Authority.

Introduced: 12/3/2012

Last Amend: 9/3/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/12/2013)

Location: 9/13/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would authorize certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. This bill contains other related provisions and other existing laws.

Position

SB 7

(Steinberg D) Public works: charter cities.

Introduced: 12/3/2012

Last Amend: 8/7/2013

Status: 10/13/2013-Chaptered by Secretary of State - Chapter 794, Statutes of 2013.

Location: 10/13/2013-S. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would prohibit a charter city from receiving or using state funding or financial assistance for a construction project if the city has a charter provision or ordinance that authorizes a contractor to not comply with prevailing wage provisions on any public works contract. The bill would, except as specified, prohibit a charter city from receiving or using state funding or financial assistance for a construction project if the city has awarded, within the prior 2 years, a public works contract without requiring the contractor to comply with prevailing wage provisions. This bill contains other related provisions.

Position

SB 11

(Pavley D) Alternative fuel and vehicle technologies: funding programs.

Introduced: 12/3/2012

Last Amend: 9/6/2013

Status: 9/11/2013-Set, first hearing. Hearing canceled at the request of author.

Location: 9/9/2013-A. TRANS.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would require the state board, in consultation with the Bureau of Automotive Repair and no later than June 30, 2015, to update the guidelines for the enhanced fleet modernization program to include specified elements and to study and consider specified elements. The bill, in addition, would

establish compensation for replacement vehicles for low-income vehicle owners at more than \$2,500 and would make this compensation available to an owner in addition to the compensation for a retired vehicle. This bill contains other related provisions and other existing laws.

Position

SB 15 (Padilla D) Aviation: unmanned aircraft systems.

Introduced: 12/3/2012

Last Amend: 8/6/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was PUB. S. on 8/27/2013)

Location: 8/30/2013-S. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Current law makes it a crime for a person to use a concealed camcorder, motion picture camera, or photographic camera to secretly videotape, film, photograph, or record by electronic means, without consent, another identifiable person, under or through the clothing being worn by that person or if that person may be in a state of full or partial undress, under circumstances when that person has a reasonable expectation of privacy and when there is an intent to invade the privacy of that person, as specified. This bill would, under the above-referenced civil and criminal provisions, provide that engaging in the prohibited activities through the use of an unmanned aircraft system is included within the prohibitions. With respect to the criminal provisions, the bill would impose a state-mandated local program by changing the definition of a crime. This bill contains other related provisions and other existing laws.

Position

SB 33 (Wolk D) Infrastructure financing districts: voter approval: repeal.

Introduced: 12/3/2012

Last Amend: 8/26/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2013)

Location: 9/13/2013-A. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue bonds by majority vote of the authority by resolution. The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. This bill contains other related provisions and other existing laws.

Position

Notes 1: Similar Bills:

AB 229 (J. Pérez) creates Infrastructure and Revitalization Financing Districts and authorizes its use, following a 2/3-vote to form the district, a 2/3-vote to issue the bonds, and a majority-vote for the appropriations limit, for projects like flood management, environmental mitigation, and hazardous cleanup.

AB 243 (Dickinson) creates Infrastructure and Revitalization Financing Districts (IRFD) and reduces the 2/3-voter thresholds to form an IRFD and issue bonds to 55%.

AB 294 (Holden) authorizes IFDs to use the county's Educational Revenue Augmentation Fund portion of tax increment, after the legislative body submits an economic analysis to the California Infrastructure and Economic Development Bank for review and approval.

AB 662 (Atkins) repeals the prohibition of an IFD on a former redevelopment area.

AB 690 (Campos) renames IFDs as Jobs and Infrastructure

Financing Districts (JIDs), after a 55% voter-approval to create a JID. The bill requires a job creation plan that ensures that for every \$1 million invested, 10 prevailing wage jobs are created.

SB 628 (Beall) removes the voter-approval requirements to create an IFD and issue bonds for a transit priority project.

SB 95 (Committee on Budget and Fiscal Review) Budget Act of 2013.

Introduced: 1/10/2013

Last Amend: 9/6/2013

Status: 9/26/2013-Vetoed by the Governor

Location: 9/26/2013-S. VETOED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: The Budget Act of 2013 made appropriations for the support of state government for the 2013-14 fiscal year. This bill would amend the Budget Act of 2013 by revising items of appropriation and making other changes. This bill contains other related provisions.

Position

Notes 1: Amends the 2013-14 Budget Act, which was adopted on June 15, 2013, in AB 110 (Blumenfield), Chapter 20. This bill, when combined with AB 110 (the main Budget bill), constitutes the 2013-14 Budget Act. Specifically, this bill:

1)Makes conforming changes to implement the Active Transportation Program and remove provisions that froze funding for human-powered transportation programs which would now be subject to the Active Transportation Program guidelines.

2)Specifies that \$24 million of transportation funding through the Active Transportation Program will be spent on the Safe Routes to Schools program, with at least \$7.2 million being spent on non-infrastructure grants.

3)Specifies \$7 million will be spent on the Environmental Enhancement and Mitigation Program.

SB 99 (Committee on Budget and Fiscal Review) Active Transportation Program.

Introduced: 1/10/2013

Last Amend: 9/3/2013

Status: 9/26/2013-Chaptered by Secretary of State - Chapter 359, Statutes of 2013.

Location: 9/26/2013-S. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would create the Active Transportation Program in the Department of Transportation, to be funded in the annual Budget Act from specified federal and state transportation funds, including 100% of the available federal Transportation Alternatives Program funds and federal Recreational Trails Program funds, except as specified, \$21,000,000 of federal Highway Safety Improvement Program funds or other federal funds, a specified amount of fuel tax revenues from the Highway Users Tax Account and the State Highway Account, and from other available funds. This bill contains other related provisions and other existing laws.

Position

Notes 1: Creation of ATP

SB 110 (DeSaulnier D) East Span, San Francisco-Oakland Bay Bridge Safety Review Task Force.

Introduced: 1/14/2013

Last Amend: 8/8/2013

Status: 10/11/2013-Vetoed by the Governor

Location: 10/11/2013-S. VETOED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would establish the East Span, San Francisco-Oakland Bay Bridge Safety Review Task

Force in state government and require the Legislative Analyst to provide administrative support for the task force as necessary for the completion of its duties. The task force would consist of 7 members designated by the Legislative Analyst. The task force would be required to assess the anticipated seismic structural performance of the East Span, as defined, of the San Francisco-Oakland Bay Bridge by conducting a series of specified reviews. This bill contains other related provisions.

Position

SB 221 (Pavley D) Sales and use taxes: vehicle license fee: exclusion: alternative fuel motor vehicles.

Introduced: 2/11/2013

Last Amend: 4/11/2013

Status: 5/2/2013-Set, first hearing. Hearing canceled at the request of author.

Location: 4/18/2013-S. G. & F.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would, on and after January 1, 2014, and before January 1, 2022, in the sale of a new alternative fuel motor vehicle, exclude from the terms "gross receipts" and "sales price," any amount allowed as a credit under a specified provision of the Internal Revenue Code, relating to new qualified plug-in electric drive motor vehicles, and any amounts received, awarded, or allowed pursuant to a state incentive program for the purchase or lease of an alternative fuel vehicle. This bill contains other related provisions and other existing laws.

Position

SB 731 (Steinberg D) Environment: California Environmental Quality Act.

Introduced: 2/22/2013

Last Amend: 9/9/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was L. GOV. on 9/11/2013)

Location: 9/13/2013-A. 2 YEAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary: Would provide that aesthetic and parking impacts of a residential, mixed-use residential, or employment center project, as defined, on an infill site, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. The bill would require the Office of Planning and Research to prepare and submit to the Secretary of the Natural Resources Agency, and the secretary to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise and transportation impacts of projects within transit priority areas. This bill contains other related provisions and other existing laws.

Position

Notes 1: Some concepts identified in the bill may prove to be beneficial to California's airports if the concepts are favorably fleshed out and enacted.

1. Renewable Energy Projects: "It is the intent of the Legislature to explore amendments to [CEQA] to further streamline the law for renewable energy projects ..."

2. Significance Thresholds: "It is the intent of the Legislature to update CEQA to establish a threshold of significance for noise, aesthetics, parking, and traffic levels of service, and thresholds relating to these land use impacts, so that projects meeting those thresholds are not subject to further environmental review for those environmental impacts. It is further the intent of the Legislature to review other similar land-use-related impacts to determine if other thresholds of significance can be set."

3. Streamlining Master Planning: "It is the intent of the Legislature to amend Section 65456, which exempts from CEQA projects undertaken pursuant to a specific plan for which an EIR has been prepared, unless conditions specified in Section 21166 of the Public Resources Code have occurred, to define with greater specificity what 'new information' means, and to avoid duplicative CEQA review for projects and activities that comply with that plan. It is further the intent of the Legislature to review the possibility of defining other types of plans to determine if similar treatment could be applied to those plans or portions of those plans that are consistent with sustainable communities strategies adopted pursuant to Section 65080 of the Government Code or that have had a certified EIR within the past five years."

4. Judicial Remedies: "It is the intent of the Legislature to enact amendments to Section 21168.9 to establish clearer procedures for a trial court to remand to a lead agency for remedying only those portions of an EIR, negative declaration, or mitigated negative declaration found to be in violation of CEQA, while retaining those portions that are not in violation so that the violations can be corrected, recirculated for public comment, and completed more efficiently and expeditiously. It is further the intent of the Legislature to explore options under which a court could allow project approvals to

remain in place, and for projects to proceed."

5. Late Hits and Data Dumps: "It is the intent of the Legislature to amend Section 21091 of the Public Resources Code and related provisions of law to establish clear statutory rules under which 'late hits' and 'document dumps' are prohibited or restricted prior to certification of an EIR, if a project proponent or lead agency has not substantively changed the draft EIR or substantively modified the project."

SB 751 (Yee D) Meetings: publication of action taken.

Introduced: 2/22/2013

Last Amend: 6/17/2013

Status: 9/6/2013-Chaptered by Secretary of State - Chapter 257, Statutes of 2013.

Location: 9/6/2013-S. CHAPTERED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: The Ralph M. Brown Act requires all meetings of the legislative body of a local agency, as defined, to be open and public and prohibits the legislative body from taking action by secret ballot, whether preliminary or final. This bill would additionally require the legislative body of a local agency to publicly report any action taken and the vote or abstention on that action of each member present for the action, thereby imposing a state-mandated local program. This bill contains other related provisions and other current laws.

Position

SB 791 (Wyland R) Motor vehicle fuel tax: rate adjustment.

Introduced: 2/22/2013

Last Amend: 4/4/2013

Status: 4/29/2013-Set, first hearing. Hearing canceled at the request of author.

Location: 4/11/2013-S. T. & H.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would eliminate the requirement that the State Board of Equalization adjust the rate of the excise tax on motor vehicle fuel, and instead would require the Department of Finance to annually calculate that rate and report that calculated rate to the Joint Legislative Budget Committee. The rate for the state's next fiscal year would remain the same as the rate of the current fiscal year or would decrease, as provided. This bill would further state that the rate may increase upon a further act by the Legislature. This bill contains other related provisions.

Position

SCA 4 (Liu D) Local government transportation projects: special taxes: voter approval.

Introduced: 12/3/2012

Last Amend: 8/28/2013

Status: 8/29/2013-Re-referred to Com. on APPR.

Location: 8/29/2013-S. APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition, if the proposition proposing the tax includes certain requirements. This measure would prohibit a local government from expending any revenues derived from a special transportation tax approved by 55% of the voters at any time prior to the completion of a statutorily identified capital project funded by revenues derived from another special tax of the same local government that was approved by a 2/3 vote. The measure would also make conforming and technical, nonsubstantive changes.

Position

SCA 6 (DeSaulnier D) Initiative measures: funding source.

Introduced: 12/3/2012

Status: 5/24/2013-Read second time. Ordered to third reading.

Location: 5/24/2013-S. THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Would prohibit an initiative measure that would result in a net increase in state or local

government costs, other than costs attributable to the issuance, sale, or repayment of bonds, from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.

Position

SCA 8

(Corbett D) Transportation projects: special taxes: voter approval.

Introduced: 12/14/2012

Last Amend: 5/21/2013

Status: 8/29/2013-Re-referred to Com. on APPR.

Location: 8/29/2013-S. APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House								

Summary: Would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55% of its voters voting on the proposition , if the proposition proposing the tax includes certain requirements . The measure would also make conforming and technical, nonsubstantive changes.

Position

SCA 9

(Corbett D) Local government: economic development: special taxes: voter approval.

Introduced: 12/18/2012

Last Amend: 5/21/2013

Status: 6/27/2013-Re-referred to Com. on APPR.

Location: 6/27/2013-S. APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House								

Summary: Would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects, as specified, requires the approval of 55% of its voters voting on the proposition , if the proposition proposing the tax contains specified requirements . The measure would also make conforming and technical, nonsubstantive changes.

Position

Total Measures: 46
Total Tracking Forms: 46

OCTOBER 2013 FEDERAL POLICY UPDATE

Both chambers are in recess. The Senate reconvenes Oct. 28. The House reconvenes Oct. 22.

Government shutdown over: After past two and a half weeks of intense discussions and an aborted House attempt to act first, Congress finally cleared a Senate-brokered deal that reopened the government, increased the debt ceiling and calls for a House-Senate budget conference. The deal, signed by the president shortly after midnight on Oct. 17th, now extends the deadlines to December, January and February for a budget deal, funding levels and the debt limit, respectively. Check out the bill summary at <http://www.appropriations.senate.gov/news.cfm?method=news.view&id=843aa5ea-dd97-416d-9ed4-ed66fd9a66f5>.

Water Bill: The House Rules Committee meets October 22nd to decide what amendments can be offered when the Water Resources Reform and Development Act hits the floor on Wednesday. Amendments are due to the Rules panel today by 10 a.m. and the committee's meeting is at 5 p.m. Conferees are expected to begin negotiations next week, and there is a chance that a five-year Farm Bill could be passed as part of an end-of-the-year budget deal. Amendments and more info on the bill is available at: <http://1.usa.gov/18mSTGG>

Sequestration: More cuts are in store for transportation (*Transportation For America, Sarah Kline, 9-30-13*)

What does sequestration mean for transportation programs?

Sequestration requires at least a 7 percent cut for discretionary programs to meet the FY14 budget caps. For many programs this will mean a 7 percent cut from the FY2012 funding levels for 2014, deeper than the 5 percent required for this current 2013 fiscal year. As severe as the cuts in FY14 are, they are only the leading edge of devastating cuts to come if Congress does not agree on a long-term way to provide the transportation trust fund with more, dedicated revenues. Relying only on existing revenue from the federal gas tax would lead to massive cuts to highway and transit projects starting next fall in FY15.

To understand the impact of sequestration on transportation programs, keep in mind that for budgetary purposes, transportation programs fall into two categories: those funded from the Highway Trust Fund (where federal fuel taxes are deposited), and those discretionary programs funded from the general fund (where most other federal taxes go).

Trust Fund Programs

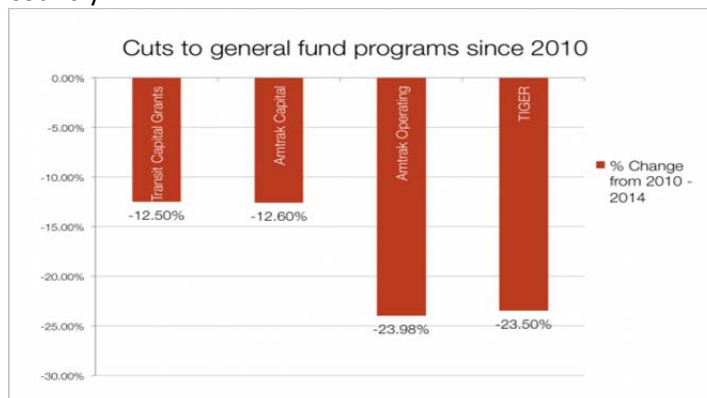
In general, programs funded from the highway trust fund are not subject to the sequester. Federal-aid highway programs and core transit formula programs funded by the trust fund were not cut in this last year. In fact, funding for those programs increased slightly over their FY2012 levels to match the authorized levels in MAP-21.

But in FY2014, because fuel tax revenues won't be sufficient for the funding levels authorized by MAP-21 for those programs, MAP-21 also called for a transfer of \$12.6 billion from the general fund into the Highway Trust Fund. That \$12.6 billion is subject to the sequester, and will face cuts of over \$900 million. Unlike other programs, though, this cut does not directly lead to cuts in funding for highway and transit projects. What it will do is speed up the timeline for the Highway Trust Fund going broke, creating the **potential** for greater cuts or the need for similarly large transfers of general funds — a

difficult proposition. In fact, some are concerned that, due to sequestration, the Trust Fund may not remain solvent through even this next fiscal year as originally expected when MAP-21 was enacted.

General Fund Programs

Transportation programs funded by the general fund are subject to the same cuts as most other federal discretionary programs under sequestration. This includes the New Starts and Small Starts programs, which fund construction of new transit service; the highly oversubscribed TIGER program of competitive grants, and Amtrak. As mentioned above, these programs were already cut by about 5 percent in FY13 compared to their FY2012 level, and will be cut by at least 7 percent and possibly more than 8 percent in a continuing resolution due to the sequestration requirements (the Office of Management and Budget will determine the exact percentage later this year). As a result, there will be less investment in new transit lines, in intercity passenger rail, and in innovative projects in cities, towns, and suburbs across the country.



A Highway Trust Fund Calendar (The Hill, By Keith Laing , 10/01/13)

The American Road and Transportation Builders Association (ARTBA) released a calculator that allows visitors to its website to come up with ways to "fix" the amount of money Congress has to spend on road and transit projects.

The [calculator](#) allows visitors to see the impact on the amount of money in the Highway Trust Fund if either other funding areas in the federal budget are reduced or borrowed from the government's general fund, or the federal gas tax is increased.

The release of the calculator comes on the 20th anniversary of the last gas tax increase, a 4.3 cent-per-gallon hike that brought the federal government's take on gasoline purchases to 18.4 cents per gallon in 1993. The ARTBA said Tuesday that the amount of money the gas tax brings in at the 1993 level, approximately \$35 billion per year, "cannot keep up with demand on the system.

"Federal dollars provide 30 to 70 percent of every state's capital investment in highway, bridge and transit projects annually," the organization said. "But Highway Trust Fund (HTF) revenues have not been adjusted in 20 years. Without new revenues, the trust fund faces a 100 percent cut in FY2015."

The current transportation spending law is scheduled to expire in September 2014. Congress paid for the measure, which spends approximately \$54 billion per year on transportation projects, with a package of trust fund sweeps and fee increases.

The ARBTA said lawmakers now face "four clear choices" when it comes time to authorize the next round of transportation spending.

"Let the Highway Trust Fund go over the fiscal cliff; steal from other areas of discretionary spending; borrow from the general fund and add to the deficit; or raise new revenues," the organization said of the choices.

The ARBTA said its online calculator allows visitors to be the "legislator" and make the budget choices themselves.

According to the group's calculator, a 4.3 cent-per-gallon increase similar to the 1993 gas tax hike would change the status of the Highway Trust Fund from "still stuck in traffic" to "green light."

Under the current status of the transportation funding, the calculator says "the HTF revenues will maintain system components, but not make any improvements."

If the tax was increased to 22.7 cents per gallon, however, the calculator says "spending levels can support all economically beneficial projects."

The Countdown: Surface transportation policy is up in 344 days and FAA policy in 709 days. The mid-term elections are in 378 days. DOT appropriations run out in 86 days.

GRANTS & WEBINARS

Energy for Sustainability

Due Date: February 20, 2014

This program supports fundamental research and education that will enable innovative processes for the sustainable production of electricity and transportation fuels. Processes for sustainable energy production must be environmentally benign, reduce greenhouse gas production, and utilize renewable resources. Current interest areas in sustainable energy technologies are: Biomass Conversion, Biofuels & Bioenergy, Photovoltaic Solar Energy, Wind Energy, and Advanced Batteries for Transportation. Learn more about this program: http://www.nsf.gov/funding/pgm_summ.jsp?pims_id=501026

NSF - Environmental Sustainability

Due Date: March 20, 2014

The Environmental Sustainability program supports engineering research that seeks to balance society's need to provide ecological protection and maintain stable economic conditions. Research in Environmental Sustainability typically considers long time horizons and may incorporate contributions from the social sciences and ethics. There are four principal general research areas which are supported: Industrial Ecology, Green Engineering, Ecological Engineering, Earth Systems Engineering. Click http://www.nsf.gov/funding/pgm_summ.jsp?pims_id=501027 to learn more.

HUD Webinar on CDBG Grant Program

October 23, 2013, 3:30 – 5:00pm, ET

The U.S. Department of Housing and Urban Development (HUD) announced they will host a series of

webinars aimed to discuss challenges with and potential improvements for the Community Development Block Grant (CDBG) Program. Specifically, HUD is looking for input from current grantees about common obstacles faced and to hear ideas for effective solutions. More information and a link for registration is available at <https://www.onecpd.info/news/upcoming-moving-cdbg-forward-ta-and-program-outreach-listening-sessions/>

SIMON AND COMPANY
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Washington Friday Report

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INSIDE THIS WEEK

- 1 Shutdown, Another Senate Mayor, DHS, MAP-22
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- 2 Smarter Cities, Healthcare.gov, DC Mayor Gray

They're back. And more - here's the highlights!

Shutdown Wrap-Up



The VP Welcomes Back EPA Employees with Muffins

We hope you found our *Shutdown Special Reports* helpful in keeping track of the day-to-day details over the shutdown and debt limit fight. We will do our best to keep you up to date as these fiscal and policy dramas enter a new stage.

As for what the future holds, Senate Minority Leader **Mitch McConnell** put it aptly, *"One of my favorite sayings is an old Kentucky saying, 'There's no education in the second kick of a mule.' The first kick of the mule was in 1995; the second one was the last 16 days. A government shutdown is off the table."* We will watch closely as Rep. **Paul Ryan** and Senator **Patty Murray** guide the work of a Budget Conference Committee to try to come up with a longer-term fiscal framework. For more, click on [Section-By-Section Analysis of the Deal to Reopen the Government](#) or [Ryan-Murray Joint Statement](#).

President Obama issued this forward-looking statement, *"In fact, there are things that we know will help strengthen our economy that we could get done before this year is out. We still need to pass a law to fix our broken **immigration** system. We still need to pass a **farm bill**. And with the shutdown behind us and budget committees forming, we now have an opportunity to focus on a **sensible budget** that is responsible, that is fair, and that helps hardworking people all across this country."*

For more from the Obama Administration, click on [WH: Shutdown is Over](#), [Remarks by the President](#), [OMB Statement](#), [HUD Secretary Donovan Welcomes Employees Back](#), [Attorney General Holder Welcomes Employees Back](#), or [Interior Secretary Jewell Welcomes Employees Back](#).

Cory Booker: Another Mayor in the Senate

Congratulations to Newark Mayor **Cory Booker**, who won the New Jersey special election to fill the seat of the late Senator **Frank Lautenberg** on Wednesday. The Democrat beat his opponent, Republican **Steve Lonegan**, a former Mayor of Bogota, NJ. It is good to have another Mayor providing a local government perspective in the U.S. Senate! He will join other former Mayors in the Senate, including Senators **Mark Begich** (AK), **Bob Corker** (TN), **Mike Enzi** (WY), **Dianne Feinstein** (CA), **James Inhofe** (OK), **Mike Johanns** (NE), and **Bernie Sanders** (VT). Senators **Mitch McConnell** (KY) and **Chris Coons** (DE) both served as County Executives. Senator **Michael Bennet** (CO) was the Chief of Staff to a Mayor and Senator **Mary Landrieu** (LA) is the sister of a Mayor and the daughter of a Mayor. And there are others in that august body with local government experience. *We look forward to working with Senator Booker and others to advance local government priorities in the coming years.*

Jeh Johnson for DHS Secretary



This afternoon, **President Obama** nominated former top Pentagon lawyer **Jeh Johnson** (pronounced "Jay") to become the next Secretary of the Department of Homeland Security. Mr. Johnson served as the Defense Department's chief counsel from 2009 to 2012. For more, click on [Jeh Johnson](#)

[Defense Department Bio](#). *We'll have an update next week!*

Towards a New Transportation Bill

On Thursday, we participated in a meeting convened by the American Public Transportation Association (APTA) to discuss legislative priorities here in Washington. **Andrew Brady**, Majority Professional Staff, from the House Committee on Transportation and Infrastructure joined us and provided an outlook on the Committee's progress on the next transportation reauthorization bill. *Here's a summary of his comments.*

Towards the Next Bill. House T&I Committee Chairman **Bill Shuster** has given his staff *"marching orders"* to have a bill ready, passed by the House and in conference with the Senate by the time MAP-21 expires next year. Staff will start drafts and hold meetings with the Chairman this winter before holding a number of hearings, including field hearings, in the spring. This next 4-6 year bill will keep MAP-21 policies that are successful while reforming and improving upon those that are not working well. They hope it will be a "Big 4 bill" with bipartisan support.

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The Revenue Question. Andrew revealed that Chairman Shuster insists that House Ways and Means Committee Chairman **Dave Camp** is absolutely “on board” to address the revenue question. Chairman Camp may choose to advance legislation independently of and prior to the next transportation reauthorization bill. Andrew believes that the solution will involve a user fee model, but he maintains that all options are on the table. He informed the transit representatives that his committee and other players are very aware of the fact that the Highway Trust Fund will be depleted prior to the expiration of MAP-21, should the issue go unaddressed. The staff joins bi-weekly calls with the DOT Office of the Secretary in which they examine accounts to ensure there is sufficient funding.

Program and Policy Issues. When asked about DOT’s popular TIGER discretionary grant program, Andrew said he “does not foresee it going away anytime soon,” although House T&I would rather see the federal government funding projects through an authorized program like the Projects of National and Regional Significance (PNRS) program. He acknowledges that PNRS has size and eligibility issues which need to be addressed. He maintains that there is not much demand for discretionary programs amongst policymakers – they tend to favor formularized programs. He also said that House T&I is aware of the fact that many mid-size cities have lost funding for bus and bus facilities due to the formularization of the bus and bus facilities program, and hopes to address the issue somehow. They might consider innovative financing options to leverage sufficient funding for one-time major costs such as replacing an entire fleet of buses that were purchased the same year. HUD’s Section 108, which allows local agencies to borrow against future formula allotments, came to mind as a model.

In regard to the 13c issue that affected California transit agencies, the T&I Committee would need to secure public support from Congressional Members before the committee would take up the “politically sensitive issue.” Andrew encouraged anyone having trouble with “Buy America” provisions of MAP-21 to come forward. FTA has given some flexibility to agencies struggling with utility relocation. *We will keep you current as transportation reauthorization progresses.*

Farm Bill Goes to Conference

Late last week, the House agreed to go to conference with the Senate on the Farm bill. We are pleased to see Rep. **Jim Costa** named as one of the House Democratic conferees, as we have worked closely with his office for many years. For the lists of conferees, click on [House GOP](#), [House Dems](#), or [Senate Conferees](#), or click on [Rep. Costa Statement](#).

Endangered Species Act Forum

The Endangered Species Act (ESA) Congressional Working Group held a forum this week on “*Reviewing 40 Years of the Endangered Species Act and Seeking Improvement for People and Species.*” Information gathered from the forum will be examined to develop an ESA reauthorization bill. For more, click on [ESA Forum Webcast](#). Rep. **David Valadao** sits on the panel and we have provided his [Statement](#) for your review.

Amtrak Sets New Ridership Record

Amtrak announced that it carried a record 31.6 million passengers in FY13, its tenth ridership record in 11 years. During the fiscal year, Amtrak’s state-supported corridor services grew to a new record of 15.4 million passengers. In addition, all long distance routes combined had the best ridership in 20 years with 4.8 million passengers. For more, click on [Amtrak Ridership Record](#).

Cities Using Ceasefire Approach to Combat Gang Violence

Ceasefire is an increasingly popular approach to community policing in cities such as Chicago, New Orleans, and Stockton trying to combat gang-related violence and homicides. This strategy couples two essential components: the application of community pressure to publicly shame gang members and the use of data from analytics software to help arrest continuous offenders. Mayor **Mitch Landrieu**’s office reports that New Orleans has seen a 50% decrease in such homicides this year. For additional information, see the [Ceasefire article](#).

Inadequate Infrastructure

An article this week shows how surface transportation infrastructure decline impacts the cost of shipping goods and services. Some shipments are rerouted hundreds of miles to avoid bad infrastructure, adding to the transportation cost. For more, click on [Decaying Highways Slow Road to Recovery](#).

IBM Smarter Cities Challenge

IBM has opened the Smarter Cities Challenge 2014 application cycle for the latest round of the company’s largest philanthropic initiative. The deadline for city governments to apply is **November 8, 2013**. Proposals should address urban challenges that relate to one or more of the following policy areas: Economic Development; Water, Energy & Environment; Health & Social Services; Transportation; or Public Safety. See the [Smarter Cities Challenge website](#) for more.

Building Healthcare.gov

Since the October 1st rollout of the *Affordable Care Act*’s federal exchanges, some of the issues experienced by many have received considerable notice and the Administration is now in the process addressing them. We thought you would be interested in this background analysis on the challenges facing the building of *Healthcare.gov*. Click on [New York Times Looks at Healthcare.gov](#) for more information.

Washington, DC Mayor Vincent Gray

One of the most frequent questions we get these days is “*How is DC Mayor Vincent Gray doing?*” The *Washington Post* offered some insight on the matter this week. See the [Washington Post article on Mayor Gray](#) for more.

Please contact Len Simon, Brandon Key, Jen Covino, or Stephanie McIntosh with any questions.

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October 11, 2013

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- 1 Shutdown, Water/Rail, Bonds, Eminent Domain
- 2 Housing, Freight, City Finances, City Lab
- 2 New L.A. Mayor, Sen. Baldwin "Golden Gavel"

No one thought it would go this long but at least now they are meeting! As a wise man once said, "The person you negotiate with is your best friend because that's who can make what you want possible." We'll see, hopefully this weekend. Meanwhile, even Shutdown City generates some news important to local governments. Here it is for your review!

Federal Government Shutdown – Week Two



Week #2 of the federal government shutdown saw slow movement on funding negotiations. Much more attention has now shifted to the debt limit deadline, which looms only days away. We will continue to update you with regular *Shutdown Special Reports* as long as the shutdown continues. *We are holding off on issuing that report for a few hours today to see if any major new developments happen before close-of-business, but we will cover the latest negotiations for you and analyze what we think is happening behind the scenes to finally resolve this crisis.*

Yesterday afternoon, the President met with top Republican leaders in the House to try to break through the political logjam. Speaker Boehner's plan, introduced yesterday at a press conference, would temporarily extend the debt limit through to November 22, and requires a broader budget deal to be reached by that date in order to raise the debt limit again. No final decisions came out of that meeting at the White House, but aides to the Congressional leadership and the President stayed late to work on a solution. There has been some talk from the House Chairmen **Buck McKeon** and **Hal Rogers** to attach stopgap funding to this bill that would reopen the federal government, but no deal has been struck on that point yet. *We hope to have more information for you shortly!*

Water and Passenger Rail Bills Stall

The shutdown has stalled not only the paychecks of hundreds of thousands of federal employees, but it has also stalled highly

anticipated legislation in Congress that was supposed to be taken up for votes this fall. The House *Water Resources Reform and Development Act* (WRRDA), also known as "the water bill," will not be given a vote until after FY14 spending and the debt limit issues are dealt with. House Transportation and Infrastructure Committee (T&I) Chairman **Bill Shuster**, the bill's champion in the House, said, *"Eventually, we're going to figure it all out and we'll get it done. We're ready to go."*

The House T&I Committee is supposed to take up an Amtrak bill once WRRDA is resolved, but the timeframe for that is also in limbo due to the shutdown. The bill, being championed by Railroad Subcommittee Chairman **Jeff Denham**, still has issues to be resolved through debate, such as how to handle Amtrak's less profitable routes. Rep. Denham said of the stall, *"I'm hopeful it doesn't delay us too much."*

Bond Subsidy Payments Reduced, Slowed by Shutdown

The IRS Office of Tax Exempt Bonds has announced that payments to issuers of qualified bonds, such as Direct Pay bonds, will be reduced by 7.2% for FY14 to comply with sequestration. In addition, the federal government shutdown is expected to delay the processing of federal payments to bond issuers, requiring state and local issuers to cover payments to avoid default. These reductions apply to Build America Bonds, Qualified School Construction Bonds, Qualified Zone Academy Bonds, New Clean Renewable Energy Bonds, and Qualified Energy Conservation Bonds for which the issuer elected to receive a direct credit subsidy pursuant to section 6431 of the Internal Revenue Code. For more, click on [Effect of Sequestration on Qualified Bond Issuers](#).

Richmond to Use Eminent Domain to Stop Foreclosure

Following up on a story we featured in the August 2 edition of the *Washington Friday Report*, city council members in Richmond, CA have voted to assert the city's eminent domain powers to seize 624 owner-occupied underwater mortgages to prevent their foreclosure. We thought you might be interested in a recent *Washington Post* article that documents the controversial strategy. Richmond plans to condemn the underwater mortgages, subsequently forcing note holders to settle for current market value. The city will then sell the mortgages to new investors, allowing borrowers to get a manageable mortgage loan. Unsurprisingly, investors are challenging the constitutionality of the policy. Wells Fargo and Deutsche Bank, along with other plaintiffs, have filed suit against the city claiming a potential loss of up to \$200 million. Should Richmond win the suit, it is not clear if other

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City Lab: Urban Solutions to Global Challenges

This week, Bloomberg Philanthropies, the *Atlantic*, and the Aspen Institute hosted "CityLab: Urban Solutions to Global Challenges," a three-day event that united 300 global city leaders including Mayors, city planners, and scholars in New York City. Discussions focused on a wide range of topics: economic development; redevelopment, infrastructure, the environment and sustainability; cultural investment; big data; and the intersection of public safety, privacy, and technology. New York City Mayor **Michael Bloomberg** was critical of federal and state efforts to address environmental problems. He praised Mayors and other local leaders, saying "*The fact is, Washington is increasingly unresponsive to the needs of our country and cities are filling the void in a very big way by taking actions to address the most pressing challenges of our time.*" Former Vice President **Al Gore** also offered insights and recommendations on how cities can combat climate change. For other highlights, see the [City Lab Website](#).

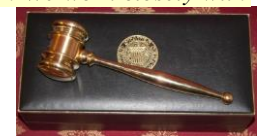
New LA Mayor Garcetti: How's he doing?

One of the most frequent questions we get these days is "*How's the new Mayor of Los Angeles, Eric Garcetti, doing?*" so we thought this *New York Times* profile of his first few months in City Hall would be of interest to you. Mayor Garcetti was sworn-in three months ago, taking the reins from his predecessor, Mayor **Antonio Villaraigosa**. The author remarks that Mayor Garcetti, at 42 the youngest mayor ever elected, "*seems to embody a host of ethnic, ideological and cultural strains that are transforming Los Angeles.*" The piece details his background, his approach to governing, and his occasional performances on stage with famous musicians. On his approach to leadership, the Mayor says, "*Governing Los Angeles is all about cultural literacy — nobody can be completely literate across the board here, but if you don't have some understanding of many of those cultures, you will be left behind.*" For more, click on [Mayor Eric Garcetti Profile](#).

Sen. Baldwin Earns "Golden Gavel"

Freshman Senator **Tammy Baldwin** of Wisconsin is the first Senator of this Congress to win the coveted "Golden Gavel" award for having presided over the chamber for

more than 100 hours during this session of Congress. Senate Majority Leader **Harry Reid** said, "*You've worked so hard, doing so many different things, not the least of which is presiding over the Senate.*" One of her most recent presiding duties was a shift that started at 3:00 a.m. during the marathon 21-hour floor speech by Sen. Ted Cruz. *We work closely with Senator Baldwin on behalf of the City of Madison, and we congratulate her on the award!* For more, click on [Senator Baldwin Earns Golden Gavel](#).



Please contact *Len Simon, Brandon Key, Jen Covino, or Stephanie McIntosh* with any questions.

cities around the country may choose to invoke their eminent domain powers to save their neighborhoods and residents from foreclosures. For more, click on [Washington Post story](#) or watch a [CNBC Interview](#) with Richmond, CA Mayor Gayle McLaughlin.

Multifamily Housing Finance System Hearing

On Wednesday, the Senate Banking, Housing and Urban Affairs Committee held a hearing entitled "Housing Finance Reform: Essential Elements of the Multifamily Housing Finance System." Witnesses offered testimony on the multifamily housing finance system on behalf of the National Multi Housing Council and National Apartment Association, the Mortgage Bankers Association, and Enterprise Community Partners, Incorporated. Testimony provided by Mr. **Thomas Bozzuto**, CEO of the Bozzuto Group, highlights elements of the existing federal housing finance system that have worked well for multifamily lending, at no cost to taxpayers. He stated explicitly that he is not opposed to changes to the GSEs, just that Congress be prudent in its decision-making. For more, see a [Senate Banking Committee Summary](#) of the hearing.

Funding the Nation's Freight System

Yesterday, the House Transportation and Infrastructure Committee's Panel on 21st Century Freight Transportation held a hearing entitled "Funding the Nation's Freight System." The purpose was to receive testimony related to the ways in which freight projects can be funded. According to the National Surface Transportation Policy and Revenue Commission, over the last several decades, investment in the nation's freight network has not kept pace with the needs of the global economy. Witnesses included Virginia Secretary of Transportation **Sean Connaughton**, Maryland Deputy Secretary of Transportation **Leif Dormsjo**, and private sector experts. Programs, policies, and topics that the panel examined included highways, the Harbor Maintenance Trust Fund, TIGER Grants, TIFIA financing, National Surface Transportation Commissions, State Transportation Funding Packages, and innovative public-private partnerships (PPPs). For more, click on [Funding the Nation's Freight System](#).

City Fiscal Conditions in 2013

The National League of Cities has released its 28th annual survey of city finance officers, revealing an overall picture of a gradually improving economy and improving city fiscal conditions. A majority of city finance officers (72%) report that their cities are better able to meet financial needs in 2013 than in 2012. Although property tax revenues continued to decline in 2012 and are projected to decline in 2013, reflecting the lagged impact of real estate market declines, sales tax revenues and local income tax revenues experienced marked increases in 2012, with projections for further growth in 2013. Factors pressuring city budgets include infrastructure costs, public safety costs, employee-related costs for health care, pensions, wages, and cuts in state and federal aid. For more, click on [NLC: City Fiscal Conditions in 2013](#).

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- 1 Shutdown, Health, IGA, Shuster, Pensions
- 2 CDFI Bonds, FEMA, FTA, MPO, Eno Nominations
- 2 NY & Bikes, KLC Award, Great New ONDCP Staff

Greetings from Shutdown City – a sad example of the system breaking down, which would be unacceptable at any other level of government! Here’s some more news of a week that will be remembered for a long time, hopefully for the Affordable Care Act rollout!

The Shutdown Continues

Since Friday last week, we have been keeping you up to date with regular *Shutdown Special Reports*, chronicling the day-by-day the activity in Washington related to the ongoing federal government shutdown. We will continue to update you as events unfold.

Today, both sides seem as entrenched as ever, and the shutdown may last until the nation faces its next fiscal cliff: October 17, when the United States hits the debt limit and runs out of borrowing authority. House Speaker **John Boehner** is working with his allies behind the scenes to craft a larger budget deal, and **President Obama** continues to insist on passage of a clean CR and an increase in the debt limit as soon as possible before any negotiations commence. *More to come!*

Health Insurance Marketplace Opens



On Tuesday, the Health Insurance Marketplace at Healthcare.gov became fully operational. Individuals, families, and small businesses can start shopping for health coverage and not be denied or charged more because they have a pre-existing condition. Coverage begins as early as January 1, 2014 for people who enroll by December 15, 2013. Coverage

offered through the Marketplace includes a range of options so consumer can pick a plan that best meets their needs, the needs of their family, and their budget. No matter what state a consumer lives in, he or she will be able to use the Marketplace to apply for coverage, compare options, and enroll. If your state has not set up

its own health insurance exchange, then you will be redirected to an exchange set up by the federal government. Open enrollment closes on March 31, 2014. For more, click on HealthCare.gov.

Incoming White House IGA Deputy Director



Mayor **Molly Ward** of Hampton, VA is resigning as Mayor to join the White House as Special Assistant to the President and Deputy Director for the Office of Intergovernmental Affairs (IGA). She is scheduled to begin on Monday but the shutdown will play a role in her starting date. She will work under Director of Intergovernmental Affairs **David Agnew** to engage Mayors and municipal leaders across the country on local issues. For the past two years, she has served as Chairwoman of the Hampton Roads Transportation Planning Organization. For more, click on [Mayor Ward Goes to Washington](#).

A Discussion with Chairman Shuster



At an event Tuesday night, we had the great opportunity to speak with Rep. **Bill Shuster**, Chairman of the House Transportation and Infrastructure Committee. We talked about the shutdown, about his speech in June to the U.S. Conference of Mayors Annual Meeting in Las Vegas, his recent ride in a “driverless” car and, of course, future legislation his Committee will be handling. His “T&I” Committee is a key one for local governments – it has jurisdiction over highways, transit, aviation, water resources, economic development, and public buildings, among other issues. His dad, the legendary former Rep. **Bud Shuster**, served as Chairman of the Committee for six years in the 1990s. Rep. Shuster has been a very effective Chairman in a challenging political environment and it was good to get the chance to chat with him. *We’ll continue to update you on the work of Chairman Shuster and the T&I Committee.*

Municipal Pension Debt Report

Credit-rating firm Moody’s recently released a report showing that more than half of the 50 local governments with the largest pension debt have worker retirement liabilities that

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are greater than their annual tax revenue. Other than Detroit, the most severely underfunded local government entities were in the Chicago area, and Illinois is the state with the nation's most severely underfunded pension system. The degree of pension burden varies widely across the government entities in the report, and some cities should be able to manage them more easily than others due to projected growth in the local tax base. For more, click on [Moody's Pension Debt Report](#).

CDFI Community Development Bonds

The U.S. Treasury has announced the recipients of approximately \$325 million in Community Development Bonds with maturities of up to 29.5 years in the inaugural round of the *CDFI Bond Guarantee Program*. These bonds will provide long-term capital to finance community development investments in low-income areas across the country. This is a federal credit program that bears no cost to taxpayers as "bond proceeds are debt instruments" that have to be repaid to the Treasury. The four eligible CDFI recipients are the Clearinghouse CDFI, Enterprise Community Loan Fund, Inc., the Community Development Trust, LP, and Local Initiatives Support Corporation. The three organizations selected as Qualified Issuers of the bonds are the Community Reinvestment Fund, the Opportunity Finance Network, and the TriSail Funding Corporation. See the [CDFI Press Release](#) for more.

FEMA Reauthorization

On Wednesday, the House Transportation and Infrastructure Committee's Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing titled "*FEMA Reauthorization: Ensuring the Nation is Prepared*." The purpose of the hearing was to examine FEMA's Integrated Public Alert and Warning System (IPAWS) and USAR System to evaluate the need for reform legislation in the context of a proposed reauthorization of FEMA. Witnesses included local-level public safety officials and private sector officials, including Phoenix, AZ Fire Chief **Bob Khan** and CTIA Executive Vice President **Christopher Guttman-McCabe**. For more, click on [FEMA Reauthorization Hearing](#).

FTA Proposed Rulemaking on Safety Rules

FTA has issued an advance notice of proposed rulemaking (ANPRM) to request public comments on the new Public Transportation Safety Program (National Safety Program) as well as requirements of the new MAP-21 transit asset management provisions (National TAM System). The consolidated ANPRM outlines proposed criteria and requirements of the National Safety Program and the National TAM System, which are intended to ensure that national public transportation systems are in a state of good repair while enhancing the transparency of the agencies' budgetary decision-making process. The deadline to comment is **January 2, 2014**. See the [Federal Register Notice](#) for further details.

FHWA and FTA Policy Guidance on MPOs

On Monday, prior to the shutdown, FTA and FHWA issued joint proposed policy guidance on the implementation of MAP-21

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provisions that "require representation by providers of public transportation in each metropolitan planning organization (MPO) that serves a transportation management area (TMA)." The agencies request public comment on representative designation and eligibility as well as the process by which those representatives will be selected. MPOs may be restructured to meet eligibility requirements. Comments must be received by **October 30, 2013**. For more, see the [Proposed Policy Guidance: MPO Representation docket](#).

2014 Eno Award for Transportation Excellence

The Eno Center for Transportation is accepting nominations for its 2014 *Lifetime Achievement Award*. Nominees must distinguish themselves based on professional productivity and demonstrated leadership in transportation, accumulated over a sustained period of time, and have strong contributions – in both theory and practice – to the betterment of the transportation industry. The nomination deadline is **October 25, 2013**. For more, click on [Transportation Excellence Award](#).

Bicycle Success in New York

The Wall Street Journal recently featured an article chronicling the success of New York City's bikeshare program, called "Citi Bikes," and the transportation commissioner who had the vision to see it through to completion, **Janette Sadik-Khan**. Since Citi Bikes came to New York in late May, there have been more than 3 million trips, and more than 6 million miles ridden. Prior to the system's launch, New York City created many miles of new protected bike lanes and pedestrian plazas to accommodate the influx of bicyclists. Since its implementation, vehicular traffic in the heart of Manhattan now moves more quickly. Citi Bike now boasts a 73% approval rating from residents after four months of operation. For more, click on [The Impact of Bikeshare](#).

Mayor Fischer Named "City Official of the Year"

Citing his leadership, innovation and success in building a stronger economy, the Kentucky League of Cities has named Mayor **Greg Fischer** the 2013 *Elected City Official of the Year*. The award will be presented at KLC's Annual Conference Expo in Covington today. *Congratulations, Mayor!*

A Great Friend Joins the Administration



After almost nine years with the City of Chicago's Washington, DC office, our great friend **Tammy Mayberry** is joining the White House Office of National Drug Control Policy, working primarily with local officials and organizations on drug policy. We look forward to working with her in her new position and know you join us in congratulating her on becoming part of the Obama Administration.

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- 1 CR-Shutdown, Marketplace, Carbon, WRRDA
- 2 ACA, SNAP, MMMFs, Financial Crisis, MAP-21
- 2 Housing Finance, Infrastructure, Tolls, DrinkUp!



What sad events in Washington on Monday, in the shadows of the Department of Transportation and Nationals Baseball Park we've all visited so often. Our hearts go out to the families of the

12 killed and many wounded. Despite Monday's carnage, the work of the White House, the agencies and the Congress went on, so here's our report to you of a busy, albeit tragic, Washington week.

Federal Government Shutdown Looms

Today, by a vote of 230-189, the House passed a short-term continuing resolution (CR), H.J. Res. 59, which keeps the federal government funded at the current rate of \$986.3 billion annually until December 15 this year. It also contains a "Full Faith and Credit" measure that requires the Treasury Department to make debt payments and pay Social Security benefits before other payments if the debt ceiling is reached. But the bill contains a potentially unacceptable poison pill for Senate Democrats and the White House – no funding to implement the Affordable Care Act. With such strong ideological differences between the branches of government, it seems increasingly likely that we are headed towards at least the kind of political brinksmanship we have seen in previous years over federal government spending, if not a government shutdown beginning on October 1. The White House has already issued a strongly-worded veto threat against the bill, and is directing federal agencies to prepare for the possibility of funding running out at the end of the month. OMB Director **Sylvia Burwell** wrote, "Prudent management requires that agencies be prepared for the possibility of a lapse [in funding]. To that end, this guidance reminds agencies of their responsibilities to plan for agency operations under such a contingency." However, the House bill got a boost from the U.S. Chamber of Commerce on Wednesday, which wrote a letter of support that also cited "grave deficiencies" in the Affordable Care Act. The measure now goes to the Senate, which is not expected to approve the ACA defunding provisions. *We will keep you up to date on all the latest twists and turns in what we expect to be a contentious debate next week over funding issues!* For

more, click on [White House CR Veto Threat](#), [Guidance to Agencies in Case of a Shutdown](#), and [Chamber of Commerce Supports CR](#).

Marketplace Fairness Principles Released

On Wednesday, House Judiciary Committee Chairman **Bob Goodlatte** released a series of seven broad principles to serve as the basis for what will become the House version of the Marketplace Fairness Act. The Senate passed its version of the bill (S. 743) on May 6 by a vote of 69 to 27, which provides a "small seller exception" that allows online retailers with annual revenues of \$1 million or less to opt out of collecting and remitting sales taxes owed to the state. Chairman Goodlatte has expressed concerns that the Senate bill would still be too burdensome for small businesses, even with the small seller exception. His committee's "Principles on Internet Sales Tax" were developed after it received input directly from taxpayers, industry and trade groups, and representatives of state and local governments. Among the principles is "Simplicity"; compliance with the law should be so simple that a "small seller exception" is not required. For more, click on [House Marketplace Fairness Act Principles](#).

EPA Proposes Carbon Standards for New Power Plants

Today, just as we were going to press on the Friday Report, the EPA proposed major standards under the Clean Air Act to cut carbon pollution from new power plants in order to combat climate change and improve public health. The rule would require future coal-burning plants to capture about 40 percent of their carbon dioxide emissions. Later this afternoon, we will participate in a briefing with senior EPA officials to learn more about the potential impacts of this action, and we will update you with more details. For more, click on [EPA Carbon Pollution Standards Website](#) or [Press Release](#). In related news, on Wednesday, the House Energy and Commerce Committee held a hearing titled "*The Obama Administration's Climate Change Policies and Activities*" featuring EPA Administrator **Gina McCarthy** and Energy Secretary **Ernest Moniz**. For more, click on [Climate Change Hearing](#).

WRRDA Passed by Committee

Yesterday, the House Transportation and Infrastructure Committee unanimously approved the *Water Resources Reform and Development Act of 2013* (WRRDA), H.R. 3080. The bill, championed by Committee Chairman **Bill Shuster**, seeks to increase the amount of money spent from the Harbor Maintenance Trust Fund, requires the Army Corps to send Congress annual reports on proposed activities, and includes

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provisions to speed up the environmental review process. The bill now heads to the House floor, where it is expected to be voted on this fall. For more, click on [WRRDA Passed by Committee](#).

Affordable Care Act Reports

Federal agencies are ramping up efforts to educate the public about the Affordable Care Act in advance of open enrollment in the Health Insurance Marketplace on October 1, planned for less than two weeks away. According to a new report released by the Department of Health and Human Services (HHS) on Tuesday, 56 percent of people who do not have health insurance today may be able to get coverage through the Health Insurance Marketplace for less than \$100 per month. Additionally, on Wednesday, a coordinated interagency effort began between HHS, the Department of Justice, and the Federal Trade Commission to prevent, protect against, and, where necessary, prosecute consumer fraud and violations in the Health Insurance Marketplace. For more, click on [Affordable Coverage Report](#) or [Cracking Down on Potential Fraud](#).

SNAP Benefits Cut in the House

Yesterday, by a tight vote of 217-210, the House narrowly passed the nutrition portion that is usually a component of the Farm Bill, but was passed this time as a stand-alone measure, H.R. 3102. It tightens eligibility rules for the SNAP program, formerly known as food stamps, and ends state waivers that have allowed able-bodied workers to continue to get help when unemployed for more than three months. This is expected to save the federal government \$40 billion over ten years, making 3.8 million people ineligible to receive benefits next year. The White House has issued a veto threat, calling the cuts too harmful. For more, click on [White House Veto Threat](#).

Money Markets Mutual Funds Update

Following up on the August 23 edition of the *Washington Friday Report* regarding the proposed regulations for money market mutual funds (MMMFs), last week, two diverse groups of organizations that rely on MMMFs as a liquid cash management tool expressed strong concerns to the SEC about the rules proposed by the Commission in June. Although the open comment period closed on Tuesday, the SEC will consider these letters and other input as it moves forward on deciding whether or not to finalize the rule in its current form. Additionally, on Wednesday, a Subcommittee of the House Financial Services Committee held a hearing entitled "*Examining the SEC's Money Market Mutual Fund Rule Proposal*" featuring expert witnesses on the issue from the public and private sectors. For more, click on [Letter from Mayors](#), [Letter from Businesses and Organizations](#), and [House Subcommittee Hearing Webcast and Testimony](#).

Financial Crisis – 5 Years Later

On Sunday, the White House released a 49-page report taking a look back on the great financial crisis that rocked Wall Street and the American economy five years ago this week. According to the President's narrative, businesses have created seven and a half million new jobs over the last three and a half years,

manufacturers are adding jobs for the first time since the mid-1990s, and health care costs are growing at the slowest rate in 50 years. For more, click on [White House Report: Five Years Since the Financial Crisis](#).

MAP-21 Implementation Hearing

On Wednesday, the Senate Environment and Public Works Committee held a hearing entitled, "*Implementing MAP-21's Provisions to Accelerate Project Delivery*," featuring testimony including from Chairwoman of the Council on Environmental Quality (CEQ) **Nancy Sutley**. At the hearing, Ms. Sutley argued that legally mandated environmental reviews are often wrongly blamed for delays in transportation infrastructure projects. For more, click on [MAP-21 Hearing](#).

Housing Finance Reform Hearing

On Thursday last week, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing entitled "*Essential Elements of Housing Finance Reform*," part of the efforts by Chairman **Tim Johnson** and Ranking Member **Michael Crapo** to reach a deal to overhaul the mortgage market this year. This would lead to consideration of legislation early next year. For more, click on [Housing Finance Reform Hearing](#).

Infrastructure Survey of Manufacturers

On Tuesday, Building America's Future and the National Association of Manufacturers released a new survey highlighting major concerns with U.S. infrastructure. About 70% of manufacturers say that infrastructure "*is in fair or poor shape and needs a great deal or quite a bit of improvement*." For more, click on [Manufacturers Survey](#).

Potentially Large Revenues from Interstate Tolling

According to a new report from the Reason Foundation, implementing all-electronic tolling on interstate highways and charging cars 3.5 cents per mile, and trucks 14 cents per mile, would fund 99 percent of the \$983 billion cost needed to rebuild the nation's existing interstate highways and widen certain heavily trafficked corridors. For more, click on [Interstate Tolling](#).

Michelle Obama Advocates Drinking More Water



First Lady **Michelle Obama** joined the Partnership for a Healthier America (PHA) and actress **Eva Longoria** in Watertown, Wisconsin last week to encourage everyone to drink more water! According to the CDC, about one-fourth of children do not drink water on a given day. Bottled water manufacturers and cities across the country will use PHA's "Drink Up" logo to encourage people to drink more water. For more, click on [Drink Up!](#)

Please contact **Len Simon**, **Brandon Key**, **Jen Covino**, or **Stephanie McIntosh** with any questions.

