POLICY BRIEF



TRANSPORTATION FUNDING UPDATE: EXTRAORDINARY SESSION

California Association of Councils of Governments

July 21, 2015

I. SB 16 and SBX1-1 (Beall) Transportation Funding

Senator Beall introduced SB 16 earlier this year. CALCOG took a "support" position on the version in print on April 15. Then, SB 16 was re-introduced in the Extraordinary Session as SB 1X-1. Significant new amendments went into print on July 14. See below.

SB 16—SB X1-1 COMPARISON TABLE		
Key Element	SB 16 (June 1)	SBX1-1 (July 14)
Effective Term	5 years	Unlimited
Revenue	\$3.4 to \$3.9 Billion/Yr.	\$4.3 to \$4.6 Billion/Yr.
Sources	 10¢/gal. tax increase on gasoline 12¢/gal increase on diesel fuel \$35 vehicle registration fee \$100 zero emission vehicle fee Loan repayments over 3 years .65% vehicle license fee increase 	 12¢/gal. tax increase on gasoline 22¢/gal. Increase on diesel fuel \$35 vehicle registration fee \$100 zero emission vehicle fee Loan repayments over 3 years \$35 road access fee
Truck Weight Fees	Transferred and backfilled with VLF	Not affected
Goods Movement (TCIF)	2¢/gal. on diesel to TCIF (approx. \$50 million/yr.)	12¢/gal. on diesel to TCIF (approx. \$300 million/yr.)
Self Help Incentive	5% off-the top allocation	5% of the top allocation-ongoing
Distribution of Remainder	• 50% to SHOPP • 50% to Local Streets & Roads	50% to SHOPP50% to Local Streets & Roads
Inflation Adjustment (CPI)	N/A	Excise tax adjusted every three years beginning 2019
Local Streets and Road Fund Flexibility	N/A	"Other transportation priorities" allowed if PMI exceeds 85
STIP	N/A	Excise tax reset to 17.3 ¢/gal.CPI applies to all excise tax
Active Transportation Eligibility	N/A	Pedestrian and bike safety in conjunction with other projects
Caltrans Accountability	CTC allocation required for SHOPP; Department plan to improve efficiency by 30%	CTC allocation required for SHOPP; Department plan to improve efficiency by 30%
Local Street and Roads Accountability	CTC estimates fund amount, develop performance criteria	CTC develops performance criteria



II. Other Key Bills In the First Extraordinary Session

Assembly Bills:

- **AB X1-1 (Alejo). Weight fees.** Returns weight fees to the State Highway Fund; repays outstanding transportation loans over three years
- **AB X1-2 (Perea) Public Private Partnerships.** Extends P3 authority indefinitely; includes Santa Clara VTA in definition of regional agency.
- **AB X1-3 and ABX1-4 (Frazier, Atkins) Spot language.** Spot bills to establish permanent, sustainable sources of funding for highways, local roads, bridges, etc.
- **AB X1-6 (Hernandez) AHSC program.** Creates a 20% rural set aside in AHSC Program.
- **AB X1-7 (Nazarian). Public transit funding.** Doubles cap and trade appropriation for Transit and Intercity Rail Program (to 20%) and Local Carbon Transit Program (to 10%).
- **AB X1-8 (Chiu & Bloom) Diesel sales tax.** Increases sales and use tax on diesel from 1.75% to 5.25%. These revenues are appropriated by formula to public transit agencies.

Senate Bills:

- **SB X1-1 (Beall) Transportation Funding.** See previous page.
- **SB X1-2 (Huff) GHG reduction fund.** Dedicates cap and trade taxes paid from gasoline production to improving infrastructure, including streets and roads.
- **SB X1-3 (Vidak) HSR Bonds.** Amends HSR bond funding initiative (and requires a general vote) to redirect HSR Bone funds to repair or construct highways and local streets and roads.
- **SB X1-6 (Runner) GHG reduction fund; transportation.** Prohibits use of cap and trade proceeds on HSR and redirects funds to highways, local street and roads, and public transit.
- **SB X1-7 (Allen) Diesel sales tax.** Increases sales and use tax on diesel from 1.75% to 5.25%. These revenues are appropriated by formula to public transit agencies.
- **SB X1-8 (Hill) Public transit funding.** Doubles cap and trade appropriation for Transit and Intercity Rail Program (to 20%) and Local Carbon Transit Program (to 10%).
- **SB X1 9 (Moorlach) Department of Transportation.** Prohibits Caltrans from using temporary funding (e.g., bonds) to support permanent positions; encourages contracting.
- **SB X1 10 (Bates) Regional Capital Improvements.** Converts STIP to block grants based on county shares; eliminates CTC retains some oversight, but programming role discontinued
- **SB X1 11 (Berryhill) CEQA exemption, road improvements.** Exempts road repair and maintenance on existing rights of way from CEQA, including for areas over 100,000.
- **SB X1-12 (Runner) Transportation Commission.** Makes the CTC independent and authorizes CTC to approve the Department's individual repair and maintenance projects.
- **SB X1-13 (Vidak) Inspector General.** Creates an Inspector to assure that Caltrans and HSRA operates efficiently, effectively, and in compliance with federal and state laws.
- **SB X1 14 (Canella) Public Private Partnerships.** Eliminates the sunset provision that allowed RTPAs and Caltrans to enter into PPPs.

Senate Constitutional Amendments:

• **SCA X1-1 (Huff).** Guarantees that transportation taxes are used for transportation purposes.

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