

# Memorandum

**Tab 12**

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25, 2014

Reference No.: 4.1  
Action

From: ANDRE BOUTROS  
Executive Director

Subject: **STATE AND FEDERAL LEGISLATION**

## **ISSUE:**

- 1) Does the California Transportation Commission (Commission) have comments on the legislation identified and monitored by staff?
  - ✓ Twenty two bills did not pass out of their respective houses of origin by the May 30<sup>th</sup> deadline.
  - ✓ June 27<sup>th</sup> is the last day for policy committees to meet.
  - ✓ July 3<sup>rd</sup> –August 4<sup>th</sup> the Legislature will be on summer recess.
  - ✓ August 31<sup>st</sup> is the last day for each house to pass bills.
  - ✓ Forty-eight bills, identified in Attachment A, met the criteria approved by the Commission.
- 2) Should the Commission adopt support positions for the following bills: SB 151, SB 486, SB 983, SB 1298, and SB 1077?

SB 151 (DeSaulnier) - requires Commission allocation of all capital and support costs for SHOPP projects beginning February 1, 2016 and would also require Caltrans to submit supplemental project allocation requests for SHOPP projects to the Commission for approval.

SB 486 (DeSaulnier) - provides a role for the Commission in developing and evaluating goals and performance measures for Caltrans and would also modify Caltrans processes for developing long-range transportation planning and programming documents as well as establish an enhanced oversight role for the Commission in the development and approval of the ITSP, ITIP and SHOPP.

SB 983 (Hernandez) - removes the limitations on the number of High Occupancy Toll (HOT) Lanes facilities that can be approved statewide and would require each application to be subject to review and approval by the Commission at the cost of the applicant.

SB 1298 (Hernandez) - extends indefinitely, the I-10 and I-110 HOT lanes programs in Los Angeles County.

SB 1077 (DeSaulnier) creates a Mileage-Based Fee Task Force within the Commission to guide in the development and implementation of a pilot program to study the potential for mileage-based revenue collection as an alternative to the gas tax.

**RECOMMENDATION:**

Staff recommends that the Commission:

- 1) Accept the staff report and provide direction to staff on legislation of interest to it;
- 2) Staff recommends the Commission adopt a position of support for SB 151, SB 486, SB 983, SB 1298, and SB 1077 and direct staff to send to the Authors of each bill the letters presented in Attachment B as notification of the Commission's support.

**SUMMARY:****SB 151 (DeSaulnier, State Highway Operation and Protection Program)**

*Recommended Position: Support*

This bill would require the Commission to allocate funds for capital outlay and capital outlay support costs for projects in the SHOPP beginning February 1, 2016. This bill would also require Caltrans to submit a supplemental project allocation request to the Commission for approval in the event a SHOPP project experiences capital or capital outlay support cost increases above the allocation amount originally made by the Commission.

SB 151 was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> where the Author agreed to take amendments granting the Commission authority to establish exceptions to the allocation requirements in the bill so as to not unduly delay emergency projects.

The Commission is committed to improving the accountability and transparency of the programming, allocation, administration and delivery of transportation projects. As SB 151 will establish mechanisms to improve accountability and transparency of the SHOPP, staff recommends support of SB 151. A draft letter of support for the Commission Chair's signature is provided in Attachment B.

**SB 486 (DeSaulnier, Department of Transportation: Goals and Performance Measures)**

*Recommended Position: Support*

This bill would:

- Require the Commission to adopt goals for Caltrans based on specific priorities by January 31, 2015 and every 4 years thereafter;
- Require the Commission to develop performance measures for each goal, evaluate Caltrans performance, and report annually to the legislature;
- Establish an enhanced oversight role for the Commission in the development and approval of the ITSP, ITIP and SHOPP to promote transparency and accountability including the development of ITIP and SHOPP Guidelines, holding public hearings for the ITIP prior to adoption, and the authorization to decline the SHOPP if it is not consistent with the Guidelines;
- Modify Caltrans processes for developing long-range transportation planning and programming documents by requiring Caltrans to develop and submit an ITSP, that reflects specified priorities and is consistent with the CTP, to the Commission for adoption by December 15, 2015 and every 5 years thereafter, and requiring projects in the ITIP to be consistent with the ITSP; and

- Require the Commission to analyze Caltrans project support costs and expenditures and report annually to the legislature.

SB 486 was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> where the Author agreed to take several amendments. In summary, the bill will:

- Remove specific legislative priorities and deadlines regarding the development of Caltrans performance measures to afford greater flexibility to the Commission.
- Direct the Commission to provide guidance to Caltrans during development of the next CTP to ensure that the policy framework of the CTP is ultimately reflected in Caltrans' STIP and SHOPP investments.
- Remove the legislative priorities for the ITSP to avoid conflicts and confusion, to condense and clarify Caltrans planning and programming priorities, and to allow the Commission to evaluate the extent to which Caltrans' ITIP and SHOPP comply with funding priorities in existing law.
- Remove the provisions requiring the Commission to develop ITIP Guidelines as the Commission already provides policy guidance for the ITIP through the STIP Guidelines.
- Require Caltrans to incorporate public comments into its final ITIP for added transparency.

SB 486 would establish mechanisms to increase transparency in the long-range transportation planning and programming processes undertaken by Caltrans; therefore, staff recommends support of SB 486. A draft letter of support for the Commission Chair's signature is provided in Attachment B.

### **SB 983 (Hernandez, High Occupancy Toll Lanes)**

*Recommended Position: Support*

This bill removes the limitations on the number of approved High Occupancy Toll (HOT) lanes facilities statewide and would delete the January 1, 2012 deadline for HOT lanes applications. This bill also specifies that each application would be subject to review and approval by the Commission as part of the eligibility determination process currently in place pursuant to AB 1467 (Nunez, 2006). This bill would also require the regional transportation agency to reimburse the Commission for the cost and expense incurred in processing the application. Additionally, this bill adds county transportation authorities in the nine-county San Francisco Bay Area and Santa Clara Valley Transportation Authority to the list of agencies eligible to apply to the Commission to develop and operate HOT lanes. The provisions of SB 983 were originally contained in SB 1298.

SB 983 was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> where the author agreed to take several amendments which will:

- Specify that HOT lanes projects should be implemented in cooperation with Caltrans and the California Highway Patrol pursuant to an agreement that addresses all matters related to design, construction, maintenance, and operation of the HOT lanes.
- Specify that regional agencies are responsible for paying for maintenance of the HOT lanes facilities from the net toll revenues pursuant to an agreement between the regional agency and Caltrans.
- Specify that the regional agency proposing the HOT lane project and bearing the project risks should be the entity responsible for setting tolls and allocating toll revenues pursuant to an adopted expenditure plan.

- Specify that in the development and implementation of HOT lanes, regional agencies cannot prohibit Caltrans or other local agencies from constructing facilities that compete with a HOT lane and cannot be entitled to compensation for adverse effects on toll revenues due to competing facilities.
- Specify that Caltrans is an eligible applicant to construct and operate HOT lanes.

SB 983 increases the opportunity for the state and regions to utilize HOT lanes and contributes to the development of consistent statewide congestion management policies to promote connectivity, efficiency, and reliability of California's transportation system; therefore, staff recommends support of SB 983. A draft letter of support for the Commission Chair's signature is provided in Attachment B.

### **SB 1298 (Hernandez, High Occupancy Toll Lanes)**

*Recommended Position: Support*

This bill would extend indefinitely, the I-10 and I-110 HOT lanes programs (known as the Metro ExpressLanes) in Los Angeles County. This bill was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> and the author agreed to take amendments that will clarify reporting provisions in the bill to ensure that LACMTA is only required to submit one report to the Legislature.

SB 1298 will allow the I-10 and I-110 HOT Lanes programs to move from a pilot program to a permanent fully implemented facility. SB 1298 combined with SB 983 provides the State and regions with the opportunity to manage congestion and maximize the capacity of existing facilities through HOT Lane implementation where feasible; therefore, staff recommends support of SB 1298. A draft letter of support for the Commission Chair's signature is provided in Attachment B.

### **SB 1077 (DeSaulnier, Mileage-Based Fee Pilot Program)**

*Recommended Position: Support in Concept*

This bill establishes a Mileage Based Fee (MBF) Task Force within the Commission to study MBF alternatives to the gas tax. This task force would be comprised of two commissions, two legislative appointees and eight gubernatorial appointees. The task force would be responsible for gathering public input and making recommendations to Caltrans and the Commission on the design of a MBF pilot program. This bill requires CalSTA, based on the recommendations of the task force, to develop and implement, by January 1, 2016, a pilot program to identify and evaluate issues related to the implementation of an MBF program. The bill also requires the CalSTA to prepare and submit to the legislature, the task force, and the Commission, by June 30, 2017, a report of its findings. Additionally, this bill requires the Commission to include its recommendations regarding the MBF pilot program in its annual report to the legislature.

SB 1077 was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> where the author agreed to take amendments which would add an additional task force member to be appointed by the Governor representing regional transportation agencies, and would provide specific direction and limitations to the bill to ensure maximum privacy protections are included in the MBUF pilot program.

The Commission has consistently urged the Administration and the Legislature to address the need for reliable and sustainable funding to preserve and expand the state's transportation system. SB 1077 is a step towards finding a sustainable solution to our dwindling transportation resources and therefore staff recommends support in concept of SB 1077. A draft letter of support for the Commission Chair's signature is provided in Attachment B.

**SB 1228 (Hueso, Trade Corridors Improvement Fund)**

*Update only - Commission Adopted Position: Support*

This bill would continue the existence of the Trade Corridors Improvement Fund (TCIF) to receive funding from sources including transfers from the Greenhouse Gas Reduction Fund for specified trade corridor improvements. The Commission adopted a support position for this bill on May 21, 2014. This bill was heard in the Assembly Transportation Committee on June 23<sup>rd</sup> and the author agreed to take amendments to include provisions that would: require the Commission to distribute funds in consultation with the California Freight Mobility Plan developed by Agency and the Sustainable Freight Strategy developed by the California Air Resources Board, incorporate existing TCIF statutory funding distributions and guidelines, restore airports to the list of eligible recipients.

**BACKGROUND:**

The Commission approved criteria to guide Commission staff in monitoring legislation and selecting bills that should be brought forward for Commission consideration. An over-arching criterion is that a bill must directly affect transportation on a statewide basis. Bills meeting one or more of the criteria, provided below, will be brought forward to the Commission for consideration.

- Funding/Financing - funding or a funding mechanism for transportation (capital and operations)
- Environmental Mitigation - implementation of greenhouse gas emissions reduction and transportation (e.g., AB 32), and/or involve the environmental process and transportation (e.g., CEQA)
- Planning - implementation of transportation and land use and planning (e.g., SB 375)
- Project Delivery - changes to the way transportation projects are delivered

Additional criteria for bringing a bill forward include:

- Direct Impact to Commission - changes in Commission responsibility, policy impact or operations
- Commissioner Request - recommended by a Commissioner for consideration by the Commission at its next regularly scheduled meeting

The Commission adopted policy to 1) consider legislation in relation to its overall policy by topic area prior to taking a position on legislation addressing that topic; and 2) remain selective in its use of watch, support or opposition on a bill. The rationale for a policy by topic area is it permits the Commission to address a suite of legislative proposals dealing with the same topic by commenting to the author(s) without necessarily taking a position. Rather than taking specific positions on bills in their initial state, the Commission can advise the Legislature on a bill's policy and/or technical aspects, as well as how it helps or hinders transportation. The intent of the Commission's comments is to alert the Author of the bill's impact on a policy and/or technical aspect related to

transportation planning, programming, financing, mitigation, or project delivery. Further direction will be provided to staff, by the Chair, on bills that meet the aforementioned criteria.

Attachment A - Status of State and Federal Legislation

Attachment B – SB 151, SB 486, SB 983, SB 1298, and SB 1077 Draft Support Letters

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>AB 243</u></b>	Dickinson	Local Government: Infrastructure Financing Districts	Funding/Financing	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 redevelopment 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.	<b>Last Action</b> Passed Senate, sent Assembly for concurrence, to inactive file September 11, 2013 <b>Current Location</b> Assembly Inactive File
<b><u>AB 680</u></b>	Salas	Transportation: Interregional Road System	Funding/Financing	Amends the Streets and Highways Code to include State Highway Route 43 as an eligible interregional and intercounty route.	<b>Last Action</b> In Senate Appropriations, held in committee August 30, 2013 <b>Current Location</b> Senate Appropriations Committee
<b><u>AB 747</u></b>	Levine	State Highway Route 131: Relinquishment	Direct Impact to CTC	This bill would authorize the Commission to relinquish to the Town of Tiburon in Marin County a specified portion of State Highway Route 131	<b>Last Action</b> Signed by Governor, enacted June 23, 2014 <b>Current Location</b> Chapter 47
<b><u>AB 1046</u></b>	Gordon	Department of Transportation: Innovative Delivery	Project Delivery	This bill would authorize the department's District 4 director to direct existing District 4 resources to the Innovative Delivery Team Demonstration Program and to authorize department staff to perform reimbursed work for projects on and off the state highway system within the boundaries of the County of Santa Clara pursuant to the master agreement, as defined, and accompanying work programs, as defined.	<b>Last Action</b> In Senate Appropriations Committee, not heard August 19, 2013 <b>Current Location</b> Senate Appropriations Committee
<b><u>AB 1081</u></b>	Medina	Economic Development: Goods-Movement Infrastructure	Planning	Existing 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, public post secondary educational institutions and a proposal for funding the needed infrastructure. This bill would require the infrastructure plan to include information related to infrastructure identified by state and federal transportation authorities and recommendations for private sector financing as specified.	<b>Last Action</b> In Senate Appropriations, held in committee August 30, 2013 <b>Current Location</b> Senate Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>AB 1447</u></b>	Waldron	Global Warming Solutions Act of 2006: GHG Reduction Fund, Traffic Light Synchronization	Funding/Financing	Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Existing law permits moneys from the fund be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments. This bill would <i>authorize sustainable infrastructure projects to include traffic signal synchronization when the project is designed and implemented to achieve cost-effective reductions in GHG emissions and includes specific reduction targets and metrics to evaluate the project's effect. additionally authorize moneys in the fund to be used to fund traffic signal synchronization to the extent those expenditures are consistent with the above-referenced purposes.</i>	<b>Last Action</b> In Senate, read second time, amended and re-referred to Environmental Quality Committee June 12, 2014 <b>Current Location</b> Senate Environmental Quality Committee
<b><u>AB 1721</u></b>	Linder	High Occupancy Vehicle Lanes	Managed Lanes	Existing law requires that a low emissions vehicle, eligible to use HOV lanes, be exempt from toll charges imposed on single-occupant vehicles in designated high-occupancy toll (HOT) lanes. <i>This bill would instead, allow a low emissions vehicle, eligible to use HOV lanes, passage in HOT lanes at a toll-free or reduced rate.</i>	<b>Last Action</b> In Senate, from third reading, to inactive file June 16, 2014 <b>Current Location</b> Senate Inactive File
<b><u>AB 1724</u></b>	Frazier	Construction Manager/General Contractor: Transit Agency	Project Delivery	This bill would authorize regional transportation agencies to use the Construction Manager/General Contractor project delivery method to design and construct certain projects. The regional agency would be required to prepare a report and notify the legislature when the report is available.	<b>Last Action</b> In Senate, read second time and amended, re-referred to committee June 10, 2014 <b>Current Location</b> Senate Transportation and Housing Committee
<b><u>AB 1811</u></b>	Buchanan	High Occupancy Vehicle Lanes	Managed Lanes	This bill would amend Streets and Highways Code Section 149.5 to specify that High-Occupancy Vehicles shall have <del>"Access" at all times rather than "Unrestricted Access"</del> <i>Unrestricted Access</i> at all times on the portions of I-680 in Alameda and Santa Clara counties that are part of the value-pricing HOV programs in these areas, <i>except that the program may require a HOV to have an electric transponder or other electronic device for law enforcement purposes.</i>	<b>Last Action</b> In Senate, read second time, to third reading June 19, 2014 <b>Current Location</b> Senate Third Reading File

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>AB 1910</u></b>	Gray	San Joaquin Valley Planning and Preparedness	Direct Impact to CTC	This bill would require the establishment of the San Joaquin Valley Regional Economic Planning and Preparedness Council, including a representative from the Commission. The purpose of the Council is to identify and develop the framework, funding, and strategies, programs, policies, partnerships, and opportunities necessary to address the growing need for a highly skilled and well-trained workforce to meet the needs of the Valley's emerging technology and energy economy.	<b>Last Action</b> In Senate, referred to committee June 5, 2014 <b>Current Location</b> Senate Labor & Industrial Relations Committee
<b><u>AB 1957</u></b>	Dickinson	State Highway Route 16	Direct Impact to CTC	This bill would authorize the Commission to relinquish to the City of Sacramento the portion of State Highway Route 16 that is located within the city limits of that city and to relinquish to the County of Sacramento the portion of State Highway Route 16 that is located within the unincorporated area of that county under certain conditions.	<b>Last Action</b> Passed from Transportation Committee to Appropriations June 17, 2014 <b>Current Location</b> Senate Appropriations Committee
<b><u>AB 2008</u></b>	Quirk	<del>CEQA: Infill Projects, Transit Village Plans: Goods Movement</del>	Planning	<del>This bill would require transit village plans to address demonstrable public benefits beyond the increase in transit usage including any 6 specified benefits. The bill would add as a public benefit the minimization of the impact of goods movement on air quality, traffic, and public safety through the provision of dedicated loading and unloading facilities for commercial space. This bill would require the Governor's Office of Planning and Research to revise the CEQA Guidelines to include minimizing the impacts of goods movement on air quality, traffic and public safety as one of the statewide standards for infill projects.</del>	<b>Last Action</b> In Senate, read second time, to consent calendar June 19, 2014 <b>Current Location</b> Senate Consent Calendar
<b><u>AB 2050</u></b>	Quirk	Global Warming Solutions Act	Planning	This bill would require ARB, among other things, to include specific elements when updating the scoping plan, to establish a Scoping Plan Advisory Panel, and to report to appropriate legislative committees key findings and recommendations.	<b>Last Action</b> In Senate Committee, heard but remained in committee June 18, 2014 <b>Current Location</b> Senate Environmental Quality Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>AB 2090</u></b>	Fong	High Occupancy Toll Lanes: Santa Clara County	Managed Lanes	This bill would delete the reference in the law to Level of Service C or D and would instead require SANDAG (for the I-15 and 2 other corridors) and VTA (on 2 corridors), with the consent of the Department, to establish appropriate performance measures such as speed or travel times for the purpose of ensuring optimal use of the HOT lanes by high-occupancy vehicles without adversely affecting other traffic on the State Highway System. The bill would provide that high-occupancy vehicles using these HOT lanes may be required to have an electronic transponder or other electronic device for enforcement purposes.	<b>Last Action</b> Passed from Transportation Committee to Appropriations June 17, 2014 <b>Current Location</b> Senate Appropriations Committee
<b><u>AB 2119</u></b>	Stone	Local Transaction and Use Taxes	Funding/Financing	This bill would authorize the board of supervisors of a county to levy, increase, or extend a transaction and use tax throughout the entire county or within the unincorporated area of the county, if approved by the qualified voters of the entire county or the unincorporated area of the county.	<b>Last Action</b> In Senate, read second time, to third reading June 12, 2014 <b>Current Location</b> Senate Third Reading File
<b><u>AB 2250</u></b>	Daly	Toll Facilities: Revenues	Managed Lanes	This bill would add the following language to Government Code Section 14106 "the department, when <i>entering into a cooperative agreement with a local agency for a managed lane, as defined,</i> on the state highway system, shall ensure that <i>any</i> toll revenues generated from the <i>managed lane</i> that is administered by the local <i>agency remains</i> available for expenditure <i>within the respective corridor in which the managed lane is located</i> "	<b>Last Action</b> Passed, as amended, from Transportation Committee to Appropriations June 24, 2014 <b>Current Location</b> Senate Appropriations Committee
<b><u>AB 2280</u></b>	Alejo	Community Revitalization and Investment Authorities	Funding/Financing	This bill would authorize certain cities to form a Community Revitalization Authority within a community revitalization and investment area, to carry out community redevelopment law. This bill provides for the financing of these activities by the issuance of bonds serviced by tax increment revenues.	<b>Last Action</b> In Senate passed from Transportation and Housing to Governance and Finance Committee June 10, 2014 <b>Current Location</b> Senate Governance & Finance Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>AB 2471</u></b>	Frazier	Public Contracts: Change Orders	Project Delivery	This bill would require a public entity, when authorized to order changes or additions in the work in a public works contract, to issue a change order no later than 60 days after the extra work is performed, <i>and reasonable documentation has been submitted except as specified</i> . If this requirement is not met, the public entity will be held liable for <i>the extra</i> work that has already been performed. The bill would also require pre-judgment interest to accrue on any amount for which the public entity fails to issue a change order promptly or make a payment due.	<b><i>Last Action</i></b> Passed, as amended, from Governmental Organization Committee to Appropriations June 24, 2014 <b><i>Current Location</i></b> Senate Appropriations Committee
<b><u>AB 2541</u></b>	Hall	Alameda Corridor Transportation Authority	Funding/Financing	This bill would require the Alameda Corridor Transportation Authority to adopt and publish a tariff under which a use fee for movement of cargo on the Corridor rail system is imposed on users. Requires the Authority to contract with independent 3rd party collection agency to collect the use fee. Requires a user to waive any damages or other claims as a result of enforcement of the tariff. Requires railroad operators operating on the corridor to provide the Authority with certain information about a user's cargo	<b><i>Last Action</i></b> In Assembly, read third time, passed to Senate May 29, 2014 <b><i>Current Location</i></b> Senate
<b><u>AB 2752</u></b>	Assembly Transportation Committee	Transportation Omnibus	Direct Impact to CTC	This is the 2014 Transportation Omnibus Bill. Corrects the title of the California State Transportation Agency and corrects obsolete code references in existing law that provides for the adoption of the state transportation improvement program by the State Transportation Commission and for the adoption of a congestion management program by specified local agencies and the duties of the Secretary of Transportation with regard to these programs. This bill will also revise contracting provisions governing new county road construction/reconstruction work, revise provisions for the issuance of legacy license plates by DMV, clarify the Vehicle Code regarding the transport of hazardous materials, and correct other obsolete and erroneous cross-references. <i>This bill would also provide for the relinquishment of portions of the following State Routes: 1, 34, 55, and 232.</i>	<b><i>Last Action</i></b> In Senate, read second time and amended, re-referred to Committee June 19, 2014 <b><i>Current Location</i></b> Senate Transportation and Housing Committee
<b><u>ACA 8</u></b>	Blumenfield	Local Government Financing: Voter Approval	Funding/Financing	This measure would lower to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness in the form of general obligation bonds to fund specified public improvements and facilities including transportation infrastructures, streets and roads, sidewalks, transit systems, highways, freeways etc.	<b><i>Last Action</i></b> In Senate, re-referred to Appropriations Committee June 27, 2013 <b><i>Current Location</i></b> Senate Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 1</u></b>	Steinberg	Sustainable Communities Investment Authority	Funding/Financing	This bill would authorize certain public entities of a Sustainable Communities Investment Area, as described, 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. The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would require the authority to contract for an independent financial and performance audit every 5 years.	<b>Last Action</b> In Senate, to Inactive File September 12, 2013 <b>Current Location</b> Senate Inactive File
<b><u>SB 15</u></b>	Padilla	Aviation: Unmanned Aircraft Systems	Aeronautics	This bill would, under existing civil and criminal provisions, provide that engaging in the prohibited activities with devices or instrumentalities affixed to or contained within 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 would also provide that an unmanned aircraft system may not be equipped with a weapon. This bill would define "unmanned aircraft system" for all of these purposes. This bill would additionally require that an application for a search warrant specify if an unmanned aircraft system, as defined, will be used in the execution of the search warrant, and the intended purpose for which the unmanned aircraft system will be used.	<b>Last Action</b> In Assembly Public Safety Committee, reconsideration granted August 27, 2013 <b>Current Location</b> Assembly Public Safety Committee
<b><u>SB 33</u></b>	Wolk and Frazier	Infrastructure Financing Districts: Voter Approval	Funding/Financing	This bill would revise provisions governing infrastructure financing districts. This bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. This bill would authorize the creation of such district subject to specified procedure and would authorize a district to finance specified actions and projects including: : highways, interchanges, ramps and bridges, arterial streets, parking facilities and transit facilities.	<b>Last Action</b> In Assembly, to inactive file September 11, 2013 <b>Current Location</b> Assembly Inactive File
<b><u>SB 151</u></b>	DeSaulnier and Gaines	SHOPP	Funding/Financing Direct Impact to CTC	This bill would require the Commission, beginning February 1, 2016 to allocate all capital and support costs for SHOPP projects and would require the Commission to approve a supplemental allocation for increases in capital or support costs above the original allocation.	<b>Last Action</b> Passed, as amended, from Assembly Transportation to Appropriations Committee June 23,2014 <b>Current Location</b> Assembly Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 486</u></b>	DeSaulnier	Office of Strategic Assessment and Accountability	Accountability	This bill would require the commission, on or before January 31, 2015, and every 4 years thereafter, and in consultation with the department, to develop and adopt specific goals for the department to achieve specified priorities relative to the operation of effective transportation systems, the maintenance of the state highway system, and the reduction of greenhouse gas emissions in the department's activities. The bill would require the commission, in consultation with the department, to identify performance measures in that regard and to include an evaluation of the department's progress in meeting the goals in the commission's annual report to the Legislature. <i>This bill would require the Department to adopt and submit the to the Commission by December 15, 2015 and every 5 years thereafter, an ITSP reflecting specified legislative priorities and consistent with the CTP. This bill would require the Commission to adopt guidelines for the department to follow for the development and project selection of the ITIP. This bill would require the Commission to adopt the ITIP and would require that the ITIP be consistent with the ITSP. This bill would also require the Commission to establish guidelines for the Department to follow in preparation of the SHOPP and would give the Commission the ability to decline adoption of the program if it is not consistent with the guidelines. This bill would also add a new section to the Commission's Annual Report to the Legislature to discuss and analyze the Department's project support costs from original programming to project close out.</i>	<b>Last Action</b> Passed, as amended, from Assembly Transportation to Appropriations Committee June 23,2014 <b>Current Location</b> Assembly Appropriations Committee
<b><u>SB 616</u></b>	Roth Wright	State Aid to Airports Program	Funding/Financing	This bill would require the Department to certify that at the time a CA Aid to Airports Grant is issued, the department has received all statements, resolutions, and other documentation required to fulfill the grant terms and conditions. This bill would allow the grant recipient to begin the grant project once the Department has issued the certification. This bill would allow 45 days for the grant recipient to provide additional documentation if needed before losing grant eligibility.	<b>Last Action</b> Passed from Assembly Transportation to Appropriations Committee June 23,2014 <b>Current Location</b> Assembly Appropriations Committee
<b><u>SB 731</u></b>	Steinberg	Environment: California Environmental Quality Act	Environment	This bill would enact the "CEQA Modernization Act of 2013" which would revise the California Environmental Quality Act to, among other things, provide greater certainty for smart infill development. States the intent of the Legislature to provide funds annually to the Strategic Growth Council for the purposes of providing planning incentive grants to local and regional agencies to implement Sustainable Communities Strategies. May 7th version adds a requirement for the Attorney General to annually submit to the Legislature a report containing specified information on CEQA litigation in the state, removes reference to funding from the Alternative and Renewable Fuel and Vehicle Technology Fund, and would require appropriation of funds by the Legislature for the Strategic Growth Council.	<b>Last Action</b> Passed from Assembly Committee on Local Government, to second reading September 11, 2013 <b>Current Location</b> Assembly Second Reading File

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 852</u></b>	Senate Budget and Fiscal Review Committee	Budget Act of 2014	Funding/Financing	Expresses the intent of the Legislature to enact the Budget Act of 2014	<b>Last Action</b> Signed by Governor, enacted June 20, 2014 <b>Current Location</b> Chapter 25
<b><u>SB 853</u></b>	Senate Budget and Fiscal Review Committee	Transportation Budget Trailer Bill	Funding/Financing Direct Impact to CTC	This bill would authorize Caltrans to transfer excess funds from the Local Airport Loan Account (LALA) to the Aeronautics Account to fund operational and safety grants, as long as the LALA account maintains a \$5 million balance. This bill would also amend Streets and Highways Code allowing right of way purchase costs at the time of acceptance of the construction contract to be within 20% of the amount reported at the time of allocation. This bill would also change the date of adoption of the 2015 ATP program of projects from April 1, 2015 to December 31, 2015 so that the adoption of the initial program of projects does not overlap with the call for projects for the second round of funding - all subsequent programs would be adopted by April 1 of each odd-numbered year.	<b>Last Action</b> Signed by Governor, enacted June 20, 2014 <b>Current Location</b> Chapter 27
<b><u>SB 862</u></b>	Senate Budget and Fiscal Review Committee	Greenhouse Gas Emissions Reduction Trailer Bill	Funding/Financing	Beginning in FY 15-16, 35% of annual proceeds from the Greenhouse Gas Reduction Fund (GGRF) will be continuously appropriated for transit, affordable housing and sustainable communities programs in the following manner: 10% to CalSTA for the Transit and Intercity Rail Program for which CalSTA will select projects and the Commission will award funding, 5% to the "Low Carbon Transit Operations Program" to be allocated by the State Controller on a formula basis, and 20% to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program. Also beginning in FY 15-16, 25% of the annual GGRF proceeds will be appropriated to High Speed Rail for the initial operating segment and Phase 1 of the Blended System.	<b>Last Action</b> Signed by Governor, enacted June 20, 2014 <b>Current Location</b> Chapter 36
<b><u>SB 969</u></b>	DeSaulnier	Public Works Project Oversight <del>Overview</del> Improvement Act	Accountability	This bill would amend the Public Works Peer Review Act of 2013. This bill would authorize these provisions, instead, to be known and cited as the Public Works Project Oversight Improvement Act. The bill would define a "megaproject" as a transportation project with total estimated development and construction costs exceeding \$2,500,000,000. The bill would require the agency administering a megaproject to establish a peer review group and to take specified actions to manage the risks associated with a megaproject including establishing a comprehensive risk management plan, and regularly reassessing its reserves for potential claims and unknown risks. <i>The bill would require the agency administering a megaproject to make available to the public via its Internet Web site a list of all engineers in responsible charge of work related to the megaproject, and their qualifications.</i>	<b>Last Action</b> Passed from Assembly Accountability & Administrative Review to Appropriations June 18, 2014 <b>Current Location</b> Assembly Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 983</u></b>	Hernandez	High Occupancy Toll Lanes	Managed Lanes	This bill would add Santa Clara Valley Transportation Authority to the list of regional transportation agencies eligible to apply to the commission to develop and operate high-occupancy toll lanes. On a statewide level, this bill would remove the limitations on the number of approved facilities and would delete the January 1, 2012, deadline for HOT lane applications. The bill would provide that each application is subject to the review and approval of the commission and would require a regional transportation agency that applies to the commission to reimburse the commission for all of the commission's cost and expense incurred in processing the application.	<b>Last Action</b> Passed, as amended, from Assembly Transportation to Appropriations Committee June 23, 2014 <b>Current Location</b> Assembly Appropriations Committee
<b><u>SB 1077</u></b>	DeSaulnier	Vehicles: <i>Mileage Based Fee (MBF) Pilot Program</i> <del>Vehicle Miles Traveled- Charges</del>	Funding/Financing	This bill would establish a MBF Task Force within the Commission to study MBF alternatives to the gas tax and to make recommendations to Caltrans and the Commission on the design of a MBF pilot program. This bill would also require Agency to develop and implement, by January 1, 2016, a pilot program designed to assess explore various methods for using a MBF to replace the state's existing fuel excise tax – based on the recommendations of the task force. The bill would also require the Agency to prepare and submit to the legislature, the task force, and the Commission, by June 30, 2017, a report of its findings. This bill would require the Commission to include its recommendations regarding the MBF pilot program in its annual report to the legislature. This bill includes a sunset date of January 1, 2018 unless modified by a later statute.	<b>Last Action</b> Passed, as amended, from Assembly Transportation to Appropriations Committee June 23, 2014 <b>Current Location</b> Assembly Appropriations Committee
<b><u>SB 1151</u></b>	Cannella	Vehicles: School Zone Fines	Funding/Financing	This bill would amend the Vehicle Code to require that an additional fine of \$35 be imposed if the violation occurred when passing a school building or school grounds, as specified, and the highway is posted with a standard "SCHOOL" warning sign and an accompanying sign notifying motorists that increased penalties apply for traffic violations that are committed within that school zone. The bill would require that these additional fines be deposited in the State Transportation Fund for purposes of funding school zone safety projects within the Active Transportation Program.	<b>Last Action</b> In Assembly, read second time and amended, re-referred to Appropriations June 23, 2014 <b>Current Location</b> Assembly Appropriations Committee
<b><u>SB 1183</u></b>	DeSaulnier	Vehicle Registration Fee: Surcharge for Bicycle Infrastructure	Funding/Financing	This bill would require a motor vehicle registration surcharge of not more than \$5 for bicycle infrastructure purposes, subject to a two-thirds voter approval in the jurisdiction in which it is imposed. The bill would provide for the DMV to administer the surcharge and to transmit the net revenues from the surcharge to the local agency to be used exclusively for improvements to new and existing paved and natural surface trails and bikeways and associated maintenance. The bill would limit the amount of net revenues that may be used by the local agency for administrative expenses to implement these provisions to 5%.	<b>Last Action</b> Passed, as amended, from Assembly Transportation to Appropriations Committee June 23, 2014 <b>Current Location</b> Assembly Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 1228</u></b>	Hueso	Trade Corridors Improvement Fund	Funding/Financing	This bill would continue the TCIF program to receive revenues other than Prop 1B, such as Cap and Trade funding from the Greenhouse Gas Reduction Fund. These additional moneys would be available upon appropriation by the legislature for the Commission to allocate to infrastructure improvement projects, as determined by the Commission, along corridors that have a high volume of freight movement. This bill includes the same eligible uses as the original TCIF program legislation with the exception of airport improvements.	<p><b>Last Action</b>                      Passed, as amended, from Assembly Transportation to Appropriations Committee                      June 23,2014</p> <p><b>Current Location</b>                      Assembly Appropriations Committee                      Support Position Adopted                      5-21-14                      Support letter issued                      5-23-14</p>
<b><u>SB 1298</u></b>	Hernandez	High Occupancy Toll Lanes	Managed Lanes	<p><del>Specific to the LA Region:</del> This bill would 1.) extend the HOT lane demonstration program on Routes 10 and 110 in Los Angeles County indefinitely 2.) allow LAMTA to change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and 3.) <del>authorize LACMTA to define the hours of operation of the HOT lanes</del> 3.) specify additional requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program <i>and clear and concise procedures for law enforcement</i>, 4.) <del>require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupaney vehicles</del> 4.) <i>require reimbursement of state agencies from toll revenue for the cost incurred in implementation of the program and the maintenance of SHS facilities in connection with the program and would authorize remaining revenue to be used for improvements to the corridor from which the revenue was generated include the maintenance of SHS facilities connected with the demonstration program as costs for which state agencies may be reimbursed with toll revenues</i> and 5.) require LACMTA and the Department to report to the Legislature by January 31, 2015 on the demonstration program 6.) <i>The bill would also authorize LACMTA to issue bonds pursuant to the Los Angeles County Transportation Commission Revenue Bond Act at any time to finance any costs necessary to implement the program and to finance any expenditures payable from the revenues generated from the program.</i></p>	<p><b>Last Action</b>                      Passed from Assembly Transportation to Appropriations Committee                      June 23,2014</p> <p><b>Current Location</b>                      Assembly Appropriations Committee</p>

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SB 1312</u></b>	Steinberg	Transportation Commission: Annual Report	Direct Impact to the Commission	Deletes the provision relating to the loan and transfer summary and discussion that was to be included in the Commission's annual report from 2001-2008.	<b><i>Last Action</i></b> In Assembly, read second time, to third reading June 18, 2014 <b><i>Current Location</i></b> Assembly
<b><u>SB 1337</u></b>	DeSaulnier	Public Records and Reports	Direct Impact to the Commission	This bill would require a state agency to provide a public record within a specified time period and require a written report to the Legislature or a Legislative member to include a signed statement declaring that the factual contents of the report are true, accurate, and complete to the best of his/her knowledge.	<b><i>Last Action</i></b> In Assembly, referred to committee June 5, 2014 <b><i>Current Location</i></b> Assembly Accountability & Administrative Review Committee
<b><u>SB 1368</u></b>	Wolk	State Highways: Relinquishment	Direct Impact to the Commission	This bill would amend Section 73.01 by authorizing the Commission to relinquish a park-and-ride lot to a <i>transit district</i> or a joint powers authority formed for purposes of providing transportation services.	<b><i>Last Action</i></b> Passed from Assembly Transportation to Appropriations Committee June 23,2014 <b><i>Current Location</i></b> Assembly Appropriations Committee
<b><u>SB 1433</u></b>	Hill	Local Agency Public Construction Act	Project Delivery	This bill would amend the Public Contract Code relating to transit contracts to include in the definition of "transit operator" any other local or regional agency responsible for the construction of transit projects, thereby extending the design-build procurement authorization. The bill would eliminate the requirement that the project cost exceed a specified amount. The bill would delete the repeal date, thus extending the operation of these provisions indefinitely.	<b><i>Last Action</i></b> Passed from Assembly Transportation to Appropriations Committee June 23,2014 <b><i>Current Location</i></b> Assembly Appropriations Committee

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b>SCA 4</b>	Liu <i>Senate Co-Author:</i> Pavley <i>Assembly Co-Author:</i> Bonilla	Local Government Transportation Projects: Special Taxes: Voter Approval	Funding/Financing	This measure 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 <i>proposition proposing the tax includes certain requirements including: (a) The ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes (b) The ballot proposition includes a requirement for annual independent audit of the amount of tax proceeds collected and expended and the specified purposes and programs funded and (c) The ballot proposition requires the governing board to create a citizens oversight committee to review all expenditures of proceeds and financial audits and report its finding to the governing board and public.</i>	<b>Last Action</b> In Senate, read second time and amended, re-referred to Senate Rules Committee August 28, 2013 <b>Current Location</b> Senate Second Reading File <b>Commission Adopted Position</b> Support position adopted 1-8-13 Support letter issued 1-14-13
<b>SCA 6</b>	DeSaulnier	Initiative Measures: Funding Source	Funding/Financing	This measure 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.	<b>Last Action</b> In Senate, read second time, to third reading May 24, 2013 <b>Current Location</b> Senate Third Reading File
<b>SCA 8</b>	Corbett <i>Assembly Co-Author:</i> Wieckowski	Transportation Projects: Special Taxes: Voter Approval	Funding/Financing	This measure 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 <i>proposition proposing the tax includes certain requirements including: (a) The ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes (b) The ballot proposition includes a requirement for annual independent audit of the amount of tax proceeds collected and expended and the specified purposes and programs funded and (c) The ballot proposition requires the governing board to create a citizens oversight committee to review all expenditures of proceeds and financial audits and report its finding to the governing board and public.</i>	<b>Last Action</b> From Senate Transportation and Housing Committee, adopted and re-referred to Senate Rules Committee August 27, 2013 <b>Current Location</b> Senate Rules Committee <b>Commission Adopted Position</b> Support position adopted 1-8-13 Support letter issued 1-14-13

<b>Bill #</b>	<b>Author</b>	<b>Title</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
<b><u>SJR 24</u></b>	DeSaulnier	Federal Highway Trust Fund	Funding/Financing	Urges the President and the Congress of the United States to stabilize the Federal Highway Trust Fund by developing a long-term plan to promote adequate federal Highway Trust fund revenues	<p><b><i>Last Action</i></b>                      Chaptered by Secretary of State                      June 16, 2014</p> <p><b><i>Current Location</i></b>                      Chapter No.66</p> <p><b><i>Commission Adopted Position</i></b>                      Support position adopted                      5-21-14                      Support letter issued                      5-23-14</p>
<b><u>USS 2322</u></b>	US Senate EPW Committee	Highway Safety Construction Programs	Funding/Financing	This bill would reauthorize Federal-aid highway and highway safety construction programs.	<p><b><i>Last Action</i></b>                      In Senate EPW Committee, ordered to be reported as amended                      May 15, 2014</p> <p><b><i>Current Location</i></b>                      Senate EPW Committee</p>

# ATTACHMENT B - DRAFT SUPPORT LETTERS AND BILL TEXT

CARL GUARDINO, Chair  
LUCETTA DUNN, Vice Chair  
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DARIUS ASSEMI  
YVONNE B. BURKE  
JAMES EARP  
DARIO FROMMER  
JAMES C. GHIELMETTI  
FRAN INMAN  
JAMES MADAFFER  
JOSEPH TAVAGLIONE

STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR MARK DESAULNIER, Ex Officio  
ASSEMBLY MEMBER BONNIE LOWENTHAL, Ex Officio

Andre Boutros, Executive Director

## CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52  
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<http://www.catc.ca.gov>

June 25, 2014

The Honorable Mark DeSaulnier  
Member of the Senate  
Transportation and Housing Committee Chair  
State Capitol, Room 5035  
Sacramento, CA 95814

The Honorable Ted Gaines  
Member of the Senate  
Transportation and Housing Committee Vice Chair  
State Capitol, Room 3070  
Sacramento, CA 95814

Re: Support for Senate Bill 151

Dear Senator DeSaulnier and Senator Gaines:

As part of its statutory charge, the California Transportation Commission (Commission) is responsible for programming and allocating state and federal funds for transportation improvements throughout California. The Commission is also responsible for advising and assisting the Administration and the Legislature in formulating and evaluating state policies and plans for California's transportation programs.

Existing statutes, however, limit the Commission's role with respect to the State Highway Operation and Protection Program (SHOPP). The SHOPP is developed by the California Department of Transportation (Caltrans) and submitted to the Commission for approval. The Commission may review the SHOPP relative to its overall adequacy; level of annual funding needed to implement the program, and the impact of those expenditures on the State Transportation Improvement Program (STIP). The SHOPP is not programmed and amended through a process that offers the same level of transparency and accountability as that of other transportation programs, e.g., the STIP. Caltrans administers the SHOPP including the selection of projects and approval of amendments and project cost increases. The Commission only allocates capital outlay cost to SHOPP projects at the time the project is ready for construction contract procurement.

Senate Bill (SB) 151 provides an expanded role for the Commission in allocating both capital outlay and capital outlay support for the implementation of SHOPP projects at various phases, in addition to allocations for cost increases beyond what was originally allocated. At its June 25, 2014 meeting, the

Commission adopted a support position for SB 151, as amended by the Assembly Transportation Committee on June 23, 2014. SB 151 together with SB 486 will serve to improve the overall accountability and transparency of Caltrans' administration of SHOPP funded projects. SB 486 further expands the Commission's role in developing guidelines and standards for the selection, as well as oversight responsibilities during the implementation, of SHOPP projects.

The Commissioners and staff are available to provide any information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Mr. Andre Boutros, at (916) 654-4245.

Sincerely,

CARL GUARDINO  
Chair

c: California Transportation Commissioners  
The Honorable Bonnie Lowenthal, Assembly Transportation Committee Chair  
The Honorable Eric Linder, Assembly Transportation Committee Vice Chair  
Brian Kelly, California State Transportation Agency Secretary  
Malcolm Dougherty, California Department of Transportation Director

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Andre Boutros, Executive Director

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June 26, 2014

The Honorable Mark DeSaulnier  
Member of the Senate  
Transportation and Housing Committee Chair  
State Capitol, Room 5035  
Sacramento, CA 95814

The Honorable Carol Liu  
Member of the Senate  
Transportation and Housing Committee  
State Capitol, Room 5097  
Sacramento, CA 95814

Re: Support for Senate Bill 486

Dear Senator DeSaulnier and Senator Liu:

As part of its statutory charge, the California Transportation Commission (Commission) is responsible for programming and allocating state and federal funds for transportation improvements throughout California. The Commission is also responsible for advising and assisting the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for California's transportation programs.

Senate Bill (SB) 486 proposes to amend statutes related to the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP). As way of background, the Commission is responsible for developing and administering the STIP, while the California Department of Transportation (Caltrans) develops the SHOPP and submits it to the Commission for approval.

The STIP is made up of a regional program and an interregional program. The regional program, which makes up 75% of the STIP, is developed and adopted by regional transportation planning agencies and submitted to the Commission for consideration and inclusion in the final STIP. The regional program is vetted publicly through open meetings of the agencies' governing boards before submittal to the Commission. Caltrans develops and submits to the Commission the interregional program, which makes up the remaining 25 % of the STIP. The interregional program is not subject to the same public vetting process as the regional program, and the same

is true, but to an even greater degree, in the development, implementation, and oversight of the SHOPP.

SB 486 provides for a public vetting process of the interregional program prior to submittal to the Commission. In addition, it authorizes the Commission to develop specific performance goals and objectives for Caltrans to ensure the efficient and transparent planning, delivery and operation of the state's transportation network. It brings the STIP and the SHOPP into a similar process of development and administration, requiring investment decisions be tied to an overall system of priorities through planning efforts that are much more coordinated, and emphasizing transparency and accountability in decision making and implementation activities.

The Commission, at its June 25, 2014 meeting, adopted a support position for SB 486 as amended by the Assembly Transportation Committee on June 23, 2014.

The Commissioners and staff are available to provide any information that may assist you in moving this legislation forward. If we can provide further assistance, please contact the Commission's Executive Director, Mr. Andre Boutros, at (916) 654-4245.

Sincerely,

CARL GUARDINO  
Chair

c: California Transportation Commissioners  
The Honorable Bonnie Lowenthal, Assembly Transportation Committee Chair  
Brian Kelly, California State Transportation Agency Secretary  
Malcolm Dougherty, California Department of Transportation Director

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June 25, 2014

The Honorable Ed Hernandez  
Member of the Senate  
State Capitol, Room 2080  
Sacramento, CA 95814

Re: Support for Senate Bill 983

Dear Senator Hernandez:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature in formulating and evaluating state policies and plans for California's transportation programs. Given the importance that the movement of people and goods has to the state and national economy and the negative impacts of recurrent traffic congestion has on the quality of life in California, the Commission has embraced congestion management as a viable strategy to address growing system demands where appropriate. However, decisions to address congestion should be made objectively and must consider all modes; current and future transportation and land use needs; life cycle costs, and operational responsibilities.

Over the last decade, the Commission has supported the use of High Occupancy Toll (HOT) lanes as a tool for managing congestion. Pursuant to Assembly Bill (AB) 1467 (Nunez, Chapter 32, Statutes of 2006), the Commission found three HOT lane projects eligible for development and operation in the Riverside, Los Angeles, and Bay Area regions. While AB 1467 allowed regions to implement the use of HOT lanes, it limited the number of HOT lane facilities within the State. Removing the limitation on the number of HOT lane facilities will promote consideration of HOT lanes when striving to manage congestion as an alternative to capacity enhancing projects.

The Commission adopted a support position for Senate Bill (SB) 983 at its June 25, 2014 meeting. The Commission strongly supports state and regional consideration of congestion management strategies, including implementation of HOT lanes. As proposed, SB 983 increases

the opportunity for the state and regions to utilize HOT lanes and contributes to the development of statewide congestion management policies to promote connectivity, efficiency, and reliability of California's transportation system.

The Commission commends your leadership in addressing the critical issue of congestion management to improve mobility and reliability for the travelling public. The Commissioners and staff are available to provide any information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Mr. Andre Boutros, at 916-654-4245.

Sincerely,

CARL GUARDINO  
Chair

c: California Transportation Commissioners

The Honorable Mark DeSaulnier, Senate Transportation Committee Chair

The Honorable Ted Gaines, Senate Transportation Committee Vice Chair

The Honorable Bonnie Lowenthal, Assembly Transportation Committee Chair

The Honorable Eric Linder, Assembly Transportation Committee Vice Chair

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June 26, 2014

The Honorable Mark DeSaulnier  
Member of the Senate  
Transportation and Housing Committee Chair  
State Capitol, Room 5035  
Sacramento, CA 95814

Re: Support for Senate Bill 1077

Dear Senator DeSaulnier:

For more than a decade, the Commission has raised concerns with respect to the decline and instability of transportation revenues. The Commission has consistently urged the Administration and Legislature to address the need for reliable and sustainable funding to preserve and expand the state's transportation system. The 2011 Needs Assessment, prepared by statewide transportation stakeholders at the Commission's request, illustrates the sheer magnitude of the state's multi-modal transportation needs over a 10 year period (2011 to 2020). The assessment identifies a \$538 billion need, consisting of \$341 billion for system preservation and \$197 billion for system expansion and management over the 10 year period. This assessment estimates that revenue from all sources, over that same period of time, only meets 45% of the need, resulting in a shortfall of approximately \$296 billion.

The Commission supports Senate Bill (SB) 1077 in concept as this proposed legislation is a step towards finding a sustainable solution to our dwindling transportation resources. The intent of SB 1077 addresses, in part, previous Commission recommendations to the Legislature and the Administration regarding the need to enact transportation funding alternatives that consider options such as the implementation of a vehicle mileage-based user fee system. The Commission has also made similar recommendations to the United States Congress. Specifically, in 2009, the California, Oregon, and Washington Transportation Commissions (Western Tri-State Commissions) jointly recommended that Congress consider encouraging states to develop alternative transportation funding approaches to supplement, and perhaps

ultimately replace the gas tax. At that time, a recommendation was made to confirm the feasibility of a vehicle miles traveled-based fee system by mandating the federal government fully explore a transition from the gas tax to a funding system tied more directly to road use and impact on the road system. In 2012, the Western Tri-State Commissions asked Congress to embrace the implementation of a multi-state vehicle miles traveled pilot program.

SB 1077 recognizes that California, home to a diverse cross section of geographies and populations, adds to the complexity of developing and implementing a mileage based user fee program. The Commission remains cautious on the method in which the pilot program will be developed and vetted moving forward. Thoughtful development and unprecedented transparency are critical to the success of such a program to provide the public, stakeholders, and the state's policy makers the opportunity to understand the requirements for implementation of a mileage based user fee program. Ultimately, results arising from such a pilot program are critical for determining the viability of a mileage based road user fee as a transportation funding source statewide.

The Commission commends your leadership on this very sensitive and timely issue. The Commissioners and staff are available to provide any information that may assist you. If we can provide further assistance, please contact the Commission's Executive Director, Mr. Andre Boutros, at (916) 654-4245.

Sincerely,

CARL GUARDINO  
Chair

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Malcolm Dougherty, California Department of Transportation Director

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STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR MARK DESAULNIER, Ex Officio  
ASSEMBLY MEMBER BONNIE LOWENTHAL, Ex Officio

Andre Boutros, Executive Director

## CALIFORNIA TRANSPORTATION COMMISSION

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June 25, 2014

The Honorable Ed Hernandez  
Member of the Senate  
State Capitol, Room 2080  
Sacramento, CA 95814

Re: Support for Senate Bill 1298

Dear Senator Hernandez:

For over a decade the Commission has been a strong advocate of High Occupancy Toll (HOT) lanes as a method for managing congestion. Having acknowledged the declining state and federal gas tax revenues and the ever increasing congestion on our highways the use of congestion pricing through the implementation of HOT lanes represents a valuable method for reducing congestion and improving safety, while providing the much needed resources to maintain and expand the facilities.

Pursuant to Assembly Bill (AB) 1467 (Nunez, Chapter 32, Statutes of 2006), the Commission found the State Route 10 and 110 to be eligible for HOT lane development and operation in 2008. While the pilot program was primarily funded through federal funds the Commission has been closely monitoring the implementation of this project. Moving from a pilot program into permanent operation demonstrates the success of the program and provides a model for future statewide HOT lane policy.

Senate Bill (SB) 1298 coupled with SB 983 provides the State and regions the opportunity to manage congestion and maximize the capacity of existing facilities through HOT lane implementation where feasible. Therefore, the Commission adopted a support position for Senate Bill (SB) 1298 at its June 25, 2014 meeting.

The Commission commends your leadership in addressing the critical issue of congestion management to improve mobility and reliability for the travelling public. The Commissioners and staff are available to provide any information that may assist you in moving this legislation

forward. If we can be of assistance, please contact the Commission's Executive Director, Mr. Andre Boutros, at 916-654-4245.

Sincerely,

CARL GUARDINO

Chair

c: California Transportation Commissioners

The Honorable Mark DeSaulnier, Senate Transportation Committee Chair

The Honorable Bonnie Lowenthal, Assembly Transportation Committee Chair

Brian Kelly, California State Transportation Agency Secretary

Malcolm Dougherty, California Department of Transportation Director

AMENDED IN ASSEMBLY JUNE 9, 2014

**SENATE BILL**

**No. 151**

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**Introduced by Senator DeSaulnier**  
*(Coauthor: Senator Gaines)*

January 31, 2013

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An act to ~~repeal~~ *add* Section ~~5205~~ of 14526.6 to the ~~Vehicle~~ Government Code, relating to ~~vehicles~~: *transportation*.

LEGISLATIVE COUNSEL'S DIGEST

SB 151, as amended, DeSaulnier. ~~Vehicles: license plates. State highway operation and protection program.~~

*Existing law generally provides for the programming and allocation of state and federal transportation capital improvement funds pursuant to the state transportation improvement program process administered by the California Transportation Commission.*

*Existing law additionally requires the Department of Transportation to prepare a state highway operation and protection program for the expenditure of funds for major capital improvements that are necessary to preserve and protect the state highway system but that do not add a new traffic lane to the system. The state highway operation and protection program is based on a 10-year rehabilitation plan and a 5-year maintenance plan prepared by the department. Existing law provides for the program to be submitted to the commission for approval in every even-numbered year. Existing law authorizes the commission to review the program relative to its overall adequacy, level of annual funding needed to implement the program, and impact of those expenditures on the state transportation improvement program, but does not provide for the commission to allocate funds to specific projects in the state highway operation and protection program.*

*This bill would require the commission to allocate funding for all capital and support costs for a project in the state highway operation and protection program. For a project that experiences increases in capital or support costs above the amount originally allocated, the bill would require the department to submit a supplemental project allocation request for approval by the commission.*

~~Existing law requires the Department of Motor Vehicles, upon registering a motor vehicle, to issue a license plate or plates to the owner of the vehicle to identify the vehicle for which the plates are issued for the period of their validity. The license plates are required to be attached to the vehicle for which they were issued, as specified, and to remain attached during the period of validity while the vehicle is being operated or held for sale within this state. Existing law authorizes the department to make appropriate rules and regulations for the use and display of stickers or devices issued in lieu of license plates, and to publish a summary thereof.~~

~~This bill would repeal that latter provision.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 14526.6 is added to the Government Code,
- 2     to read:
- 3     14526.6. (a) Beginning February 1, 2016, an allocation by
- 4     the commission of all capital and support costs for a project in
- 5     the state highway operation and protection program shall be
- 6     required.
- 7     (b) For a project that experiences increases in capital or support
- 8     costs above the amount in the allocation approved pursuant to
- 9     subdivision (a), a supplemental project allocation request shall
- 10    be submitted by the department for approval by the commission.
- 11    SECTION 1. ~~Section 5205 of the Vehicle Code is repealed.~~

AMENDED IN ASSEMBLY JUNE 9, 2014

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY SEPTEMBER 3, 2013

AMENDED IN ASSEMBLY JULY 3, 2013

AMENDED IN SENATE APRIL 15, 2013

**SENATE BILL**

**No. 486**

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**Introduced by Senator DeSaulnier  
(Coauthor: Senator Liu)**

February 21, 2013

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An act to *amend Sections 14526, 14526.5, and 14536 of, to add Section Sections 14523.5, 14524.3, 14525.7, and 14526.4 to, and to repeal Section 14009 of, the Government Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 486, as amended, DeSaulnier. Department of Transportation: goals and performance measures.

Existing law provides that the Department of Transportation shall have full possession and control of the state highway system and specifies the duties and responsibilities of the department on various other transportation matters. *Existing law requires the department to prepare the interregional transportation improvement program which, along with the regional transportation improvement programs adopted by regional transportation agencies, becomes part of the state transportation improvement program and identifies most transportation capital improvements to be undertaken over a multiyear period with state and federal funds. Existing law also requires the department to*

*separately prepare the state highway operation and protection program, which identifies capital projects limited to maintenance, safety, and rehabilitation work necessary to preserve and protect the state highway system. Existing law requires the California Transportation Commission to, among other things, adopt the state transportation improvement program and approve the state highway operation and protection program, and further provides for the commission to allocate transportation capital funds to specific projects contained in the state transportation improvement program, but not the state highway operation and protection program, which is managed by the department.*

This bill would require the commission, on or before January 31, 2015, and every 4 years thereafter, and in consultation with the department, to develop and adopt specific goals for the department to achieve specified priorities relative to the operation of effective transportation systems, the maintenance of the state highway system, and the reduction of greenhouse gas emissions in the department's activities. The bill would require the commission, in consultation with the department, to identify performance measures in that regard and to include an evaluation of the department's progress in meeting the goals in the commission's annual report to the Legislature.

*This bill would also require the commission to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the interregional transportation improvement program, and would require the commission to adopt the program. The bill would require the department, on or before December 15, 2015, and every 5 years thereafter, to adopt and submit to the commission an interregional transportation strategic plan directed at achieving a high-functioning and balanced interregional transportation system, reflecting specified legislative priorities. The bill would require projects included in the interregional transportation improvement program to be consistent with the interregional transportation strategic plan, and would require the commission to hold public hearings on the program to attempt to reconcile any objections.*

*The bill would also require the commission to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the state highway operation and protection program. The bill would require preparation of a project study report or major investment study prior to inclusion by the department of a project in the state highway operation and protection*

*program. The bill would specifically authorize the commission to decline to adopt the program if it determines that the program is not sufficiently consistent with the guidelines.*

*Existing law requires the commission to submit an annual report to the Legislature including, among other things, a discussion of major transportation policy issues.*

*This bill would require the annual report to contain a discussion of the department's project support costs for capital projects.*

*Existing law requires the department, by June 30, 1994, to apply for federal funding to be used for conversion of data pertaining to the state highway system from paper storage to intelligent computer information, and to commence implementation of the conversion process within 6 months of receiving federal funding approval.*

*This bill would repeal these provisions.*

*The bill would also make legislative findings and declarations.*

*Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.*

*The people of the State of California do enact as follows:*

1 *SECTION 1. The Legislature finds and declares all of the*  
2 *following:*

3 *(a) The state recently contracted with the State Smart*  
4 *Transportation Initiative (SSTI) to conduct an external assessment*  
5 *of the Department of Transportation and provide recommendations*  
6 *for improving the department's performance.*

7 *(b) The SSTI assessment found that the department has not kept*  
8 *pace with changes in transportation policy and called for reforms*  
9 *to modernize the department's mission, strengthen its performance,*  
10 *and help align the department with the state's policy goals.*

11 *(c) The regional transportation planning process is an inclusive,*  
12 *exhaustive process that moves from a longer-term vision,*  
13 *represented by the regional transportation plan, to a short-term*  
14 *list of specific projects in the regional transportation improvement*  
15 *program, which implements the long-term vision.*

16 *(d) The department, which is responsible for the maintenance*  
17 *and operation of the state highway system and for the state's*  
18 *interregional transportation system, does not currently have in*  
19 *place a similarly inclusive planning process that moves from vision*  
20 *to implementation.*

1 *(e) Developing a process for the department to follow in*  
2 *development of the state's interregional and highway maintenance*  
3 *and operations programs similar to the regional transportation*  
4 *planning process can create a framework for the department to*  
5 *begin to address the flaws identified in the SSTI assessment and*  
6 *allow the state to catch up with the changes in transportation*  
7 *policy such that the department can once again be aligned with*  
8 *the state's policy goals.*

9 **SECTION 1.**

10 *SEC. 2.* Section 14009 of the Government Code is repealed.

11 ~~**SEC. 2.**~~

12 *SEC. 3.* Section 14523.5 is added to the Government Code,  
13 to read:

14 14523.5. (a) No later than January 31, 2015, and every four  
15 years thereafter, the commission, in consultation with the  
16 department, shall develop and adopt specific goals for the  
17 department to achieve each of the following priorities:

18 (1) The operation of effective transportation systems for moving  
19 people and goods between regions and through the state using, for  
20 example, traffic demand strategies and technology that do not  
21 require the addition of capacity.

22 (2) The maintenance of the state's state highway system in a  
23 state of good repair.

24 (3) The reduction of greenhouse gas emissions to the maximum  
25 extent feasible in all of the department's activities.

26 (b) The commission, in consultation with the department, shall  
27 identify performance measures for each of the goals adopted  
28 pursuant to subdivision (a) and shall include an evaluation of the  
29 department's progress toward meeting these goals in its annual  
30 report to the Legislature pursuant to Section 14535. The department  
31 shall comply with requests from the commission for information  
32 necessary to perform the required evaluation.

33 *SEC. 4.* Section 14524.3 is added to the Government Code, to  
34 read:

35 14524.3. (a) *On or before December 15, 2015, and every five*  
36 *years thereafter, the department shall adopt and submit to the*  
37 *commission an interregional transportation strategic plan directed*  
38 *at achieving a high-functioning and balanced interregional*  
39 *transportation system. The plan shall be action oriented and*  
40 *pragmatic, considering both the short-term and long-term future,*

1 *and shall present clear, concise policy guidance to the department*  
2 *for managing the state's transportation system.*

3 *(b) The plan shall reflect, in order, the following legislative*  
4 *priorities:*

5 *(1) Maintaining the state's existing transportation system in a*  
6 *state of good repair.*

7 *(2) Addressing the state's responsibility of efficient goods*  
8 *movement through and within the state.*

9 *(3) Improving system operations through traffic demand*  
10 *strategies and technology.*

11 *(4) Improving the livability of the state's transportation system,*  
12 *and improving access to the system to all users, where appropriate.*

13 *(5) Reducing greenhouse gas emissions consistent with the*  
14 *California Global Warming Solutions Act of 2006 (Division 25.5*  
15 *(commencing with Section 38500) of the Health and Safety Code).*

16 *(6) Assisting regions with congestion reduction when*  
17 *appropriate.*

18 *(c) The interregional transportation strategic plan shall be*  
19 *consistent with the California Transportation Plan required by*  
20 *Section 65071.*

21 *SEC. 5. Section 14525.7 is added to the Government Code, to*  
22 *read:*

23 *14525.7. (a) The commission shall adopt guidelines for the*  
24 *department to follow in the development and the selection of*  
25 *projects for the state's interregional transportation improvement*  
26 *program required by Section 14526.*

27 *(b) The guidelines shall include, but not be limited to, all of the*  
28 *following:*

29 *(1) Standards for project deliverability.*

30 *(2) Standards for identifying projects and project components.*

31 *(3) Standards for cost estimating.*

32 *(4) Programming methods for cost increases and schedule*  
33 *changes.*

34 *(5) Objective criteria for measuring system performance and*  
35 *cost-effectiveness of candidate projects.*

36 *(c) The guidelines shall, at a minimum, require that, for each*  
37 *project, the program shall specify the allocation or expenditure*  
38 *amount and the allocation or expenditure year for each project*  
39 *component, as necessary.*

1 (d) *The guidelines shall be the complete and full statement of*  
2 *the policy, standards, and criteria that the commission intends to*  
3 *use in selecting interregional transportation projects to be included*  
4 *in the state transportation improvement program.*

5 (e) *The commission may amend the adopted guidelines after*  
6 *conducting at least one public hearing. The commission shall make*  
7 *a reasonable effort to adopt the amended guidelines prior to its*  
8 *adoption of the fund estimate pursuant to Section 14525. In no*  
9 *event shall the adopted guidelines be amended, or otherwise*  
10 *revised, modified, or altered during the period commencing 30*  
11 *days after the adoption of the fund estimate pursuant to Section*  
12 *14525 and before the adoption of the state transportation*  
13 *improvement program pursuant to Section 14529.*

14 *SEC. 6. Section 14526 of the Government Code is amended to*  
15 *read:*

16 14526. (a) Not later than December 15, 2001, and December  
17 15 of each odd-numbered year thereafter, *based on the guidelines*  
18 *established pursuant to Section 14525.7*, and after consulting with  
19 the transportation planning agencies, county transportation  
20 commissions, and transportation authorities, the department shall  
21 submit to the commission *for adoption* its five-year interregional  
22 transportation improvement program consisting of all of the  
23 following:

24 (1) Projects to improve state highways, pursuant to subdivision  
25 (b) of Section 164 of the Streets and Highways Code.

26 (2) Projects to improve the intercity passenger rail system.

27 (3) Projects to improve interregional movement of people,  
28 vehicles, and goods.

29 (b) *Projects included in the interregional transportation*  
30 *improvement program shall be consistent with the state*  
31 *interregional transportation strategic plan prepared pursuant to*  
32 *Section 14524.2.*

33 ~~(b)~~

34 (c) Projects may not be included in the interregional  
35 transportation improvement program without a project study report  
36 or major investment study.

37 ~~(e)~~

38 (d) Major projects shall include current costs updated as of  
39 November 1 of the year of submittal and escalated to the

1 appropriate year, and shall be consistent with, and provide the  
2 information required in, subdivision (b) of Section 14529.

3 ~~(d)~~

4 (e) Projects included in the interregional transportation  
5 improvement program shall be consistent with the adopted regional  
6 transportation plan.

7 (f) *Prior to adopting the department's interregional*  
8 *transportation improvement plan, the commission shall hold not*  
9 *less than one hearing in northern California and one hearing in*  
10 *southern California to attempt to reconcile any objections by any*  
11 *member of the public or other stakeholder to the department's*  
12 *plan.*

13 *SEC. 7. Section 14526.4 is added to the Government Code, to*  
14 *read:*

15 *14526.4. (a) The commission shall establish guidelines for the*  
16 *department to follow in the development and selection of projects*  
17 *for the state highway operation and protection program required*  
18 *by Section 14526.5.*

19 (b) *The guidelines shall include, but not be limited to, all of the*  
20 *following:*

21 (1) *Standards for project deliverability.*

22 (2) *Standards for identifying projects and project components.*

23 (3) *Standards for cost estimating.*

24 (4) *Programming methods for cost increases and schedule*  
25 *changes.*

26 (5) *Objective criteria for measuring system performance and*  
27 *cost-effectiveness of candidate projects.*

28 (c) *The guidelines shall, at a minimum, require that, for each*  
29 *project, the state highway operation and protection program shall*  
30 *specify the allocation or expenditure amount and the allocation*  
31 *or expenditure year for each project component, as necessary.*

32 (d) *The guidelines shall be the complete and full statement of*  
33 *the policy, standards, and criteria that the commission intends to*  
34 *use in reviewing and adopting the state highway operation and*  
35 *protection program.*

36 *SEC. 8. Section 14526.5 of the Government Code is amended*  
37 *to read:*

38 *14526.5. (a) ~~The~~ Based on the guidelines adopted pursuant*  
39 *to Section 14526.4, the department shall prepare a state highway*  
40 *operation and protection program for the expenditure of*

1 transportation funds for major capital improvements that are  
2 necessary to preserve and protect the state highway system. Projects  
3 included in the program shall be limited to capital improvements  
4 relative to maintenance, safety, and rehabilitation of state highways  
5 and bridges ~~which~~ *that* do not add a new traffic lane to the system.

6 (b) The program shall include projects ~~which~~ *that* are expected  
7 to be advertised prior to July 1 of the year following submission  
8 of the program, but which have not yet been funded. The program  
9 shall include those projects for which construction is to begin  
10 within four fiscal years, starting July 1 of the year following the  
11 year the program is submitted.

12 (c) *Projects may not be included in the state highway operation*  
13 *and protection program without a project study report or major*  
14 *investment study.*

15 (e)

16 (d) The program shall be submitted to the commission not later  
17 than January 31 of each even-numbered year. Prior to submitting  
18 the plan, the department shall make a draft of its proposed program  
19 available to transportation planning agencies for review and  
20 comment and shall include the comments in its submittal to the  
21 commission.

22 (d)

23 (e) The commission may review the program relative to its  
24 overall adequacy, *consistency with the guidelines adopted pursuant*  
25 *to Section 14526.4, the level of annual funding needed to*  
26 *implement the program, and the impact of those expenditures on*  
27 *the state transportation improvement program. The commission*  
28 *shall ~~approve and submit~~ adopt the program and submit it to the*  
29 *Legislature and the Governor not later than April 1 of each*  
30 *even-numbered year. The commission may decline to adopt the*  
31 *program if the commission determines that the program is not*  
32 *sufficiently consistent with the guidelines established in Section*  
33 *14526.4.*

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

36 *SEC. 9. Section 14536 of the Government Code is amended to*  
37 *read:*

38 14536. (a) The annual report shall include an explanation and  
39 summary of major policies and decisions adopted by the  
40 commission during the previously completed state and federal

1 fiscal year, with an explanation of any changes in policy associated  
2 with the performance of its duties and responsibilities over the  
3 past year.

4 (b) The annual report may also include a discussion of any  
5 significant upcoming transportation issues anticipated to be of  
6 concern to the public and the Legislature.

7 ~~(c) The annual report submitted to the Legislature for the years~~  
8 ~~2001 to 2008, inclusive, shall include all of the following:~~

9 ~~(1) A summary and discussion of loans and transfers authorized~~  
10 ~~pursuant to Sections 14556.7 and 14556.8.~~

11 ~~(2) A summary and discussion on the cash-flow and project~~  
12 ~~delivery impact of those loans and transfers.~~

13 ~~(3) A summary of any guidance provided to the department~~  
14 ~~pursuant to Section 14556.7.~~

15 *(c) As part of its role described in Section 14520, the*  
16 *commission's annual report shall also include a discussion of the*  
17 *department's project support costs, including analyses of the*  
18 *department's expenditures on project support based on cost*  
19 *estimates at the following points in time:*

20 *(1) Original programming date.*

21 *(2) Upon completion of the environmental review process.*

22 *(3) Upon completion of final design and when contract is let.*

23 *(4) Project closeout date.*

AMENDED IN ASSEMBLY JUNE 15, 2014

AMENDED IN SENATE MAY 21, 2014

**SENATE BILL**

**No. 983**

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**Introduced by Senator Hernandez**

February 11, 2014

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An act to amend Section ~~53084.5~~ 149.7 of the ~~Government Streets and Highways Code~~, relating to ~~local government~~ transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 983, as amended, Hernandez. ~~Cities and counties: sales and use taxes: revenue sharing agreement: card lock system.~~ *High-occupancy toll lanes.*

*Existing law authorizes a regional transportation agency, as defined, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit. Existing law limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California, and provides that no applications may be approved on or after January 1, 2012.*

*This bill would additionally authorize specified local transportation authorities and the Santa Clara Valley Transportation Authority to apply to the commission for purposes of the above-described provisions. The bill would remove the limitations on the number of approved facilities and would delete the January 1, 2012, deadline for HOT lane applications. The bill would provide that each application is subject to the review and approval of the commission and would require a regional transportation agency that applies to the commission to reimburse the*

*commission for all of the commission's cost and expense incurred in processing the application.*

~~The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law. That law provides that for the purpose of a local sales tax adopted pursuant to that law, all retail sales are consummated at the place of business of the retailer unless otherwise specified.~~

~~Existing law prohibits a local agency, including a city or county, from entering into any form of agreement with any other person that would involve the payment, transfer, diversion, or rebate of any amount of Bradley-Burns local tax proceeds for any purpose if the agreement results in a reduction in the amount of revenue that is received by another local agency from a retailer that is located within the territorial jurisdiction of that other local agency, and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency, with specified exceptions, including an exception for an agreement to pay or rebate any Bradley-Burns local tax revenue relating to a buying company, as defined.~~

~~This bill would provide that, on or after May 1, 2014, a buying company does not include a retailer that contracts to sell fuel through a card lock system.~~

~~Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 149.7 of the Streets and Highways Code
- 2     is amended to read:
- 3     149.7. (a) A regional transportation agency, as defined in
- 4     ~~Section 143~~, subdivision (e), in cooperation with the department,
- 5     may apply to the commission to develop and operate
- 6     high-occupancy toll lanes, including the administration and
- 7     operation of a value pricing program and exclusive or preferential
- 8     lane facilities for public transit, consistent with the established
- 9     standards, requirements, and limitations that apply to those facilities
- 10    in Sections 149, 149.1, 149.3, 149.4, 149.5, and 149.6.
- 11    (b) ~~The commission shall review each~~ Each application for the
- 12    development and operation of the facilities described in subdivision
- 13    ~~(a) according~~ shall be subject to review and approval by the

1 *commission pursuant to eligibility criteria established by the*  
2 *commission. For each eligible application, the commission shall*  
3 *conduct at least one public hearing in northern California and one*  
4 *in southern California.*

5 ~~(e) The number of facilities approved under this section shall~~  
6 ~~not exceed four, two in northern California and two in southern~~  
7 ~~California.~~

8 (c) *A regional transportation agency that applies to the*  
9 *commission to develop and operate facilities described in*  
10 *subdivision (a) shall reimburse the commission for all of the*  
11 *commission's cost and expense incurred in processing the*  
12 *application.*

13 (d) *A regional transportation agency that develops or operates*  
14 *a facility, or facilities, described in subdivision (a) shall provide*  
15 *any information or data requested by the commission or the*  
16 *Legislative Analyst. The commission, in cooperation with the*  
17 *Legislative Analyst, shall annually prepare a report on the progress*  
18 *of the development and operation of a facility authorized under*  
19 *this section. The commission may submit this report as a section*  
20 *in its annual report to the Legislature required pursuant to Section*  
21 *14535 of the Government Code.*

22 ~~(e) No applications may be approved under this section on or~~  
23 ~~after January 1, 2012.~~

24 (e) *Notwithstanding Section 143, for purposes of this section,*  
25 *“regional transportation agency” means any of the following:*

26 (1) *A transportation planning agency described in Section 29532*  
27 *or 29532.1 of the Government Code.*

28 (2) *A county transportation commission established under*  
29 *Section 130050, 130050.1, or 130050.2 of the Public Utilities*  
30 *Code.*

31 (3) *Any other local or regional transportation entity that is*  
32 *designated by statute as a regional transportation agency.*

33 (4) *A joint exercise of powers authority established pursuant to*  
34 *Chapter 5 (commencing with Section 6500) of Division 7 of Title*  
35 *1 of the Government Code, with the consent of a transportation*  
36 *planning agency or a county transportation commission for the*  
37 *jurisdiction in which the transportation project will be developed.*

38 (5) *A local transportation authority designated pursuant to*  
39 *Division 12.5 (commencing with Section 131000) or Division 19*  
40 *(commencing with Section 180000) of the Public Utilities Code.*

1 (6) *The Santa Clara Valley Transportation Authority established*  
2 *pursuant to Part 12 (commencing with Section 100000) of Division*  
3 *10 of the Public Utilities Code.*

4 SECTION 1. ~~Section 53084.5 of the Government Code is~~  
5 ~~amended to read:~~

6 ~~53084.5. (a) On or after the date the act adding this section~~  
7 ~~takes effect, a local agency shall not enter into any form of~~  
8 ~~agreement that would result, directly or indirectly, in the payment,~~  
9 ~~transfer, diversion, or rebate of any tax revenue resulting from the~~  
10 ~~imposition of a sales and use tax under the Bradley-Burns Uniform~~  
11 ~~Local Sales and Use Tax Law (Part 1.5 (commencing with Section~~  
12 ~~7200) of Division 2 of the Revenue and Taxation Code) to any~~  
13 ~~person for any purpose when both of the following apply:~~

14 (1) ~~The agreement results in a reduction in the amount of~~  
15 ~~revenue that is received by another local agency from a retailer~~  
16 ~~that is located within the territorial jurisdiction of that other local~~  
17 ~~agency from the tax proceeds collected under the Bradley-Burns~~  
18 ~~Uniform Local Sales and Use Tax Law (Part 1.5 (commencing~~  
19 ~~with Section 7200) of Division 2 of the Revenue and Taxation~~  
20 ~~Code). This subdivision shall not apply to a reduction in the use~~  
21 ~~tax proceeds that are distributed to that other local agency through~~  
22 ~~one or more countywide pools.~~

23 (2) ~~The retailer continues to maintain a physical presence within~~  
24 ~~the territorial jurisdiction of that other local agency. This~~  
25 ~~subdivision shall not apply if the retailer has expanded its~~  
26 ~~operations into another jurisdiction with the result that the retailer~~  
27 ~~is conducting a comparable operation within the jurisdiction of~~  
28 ~~both local agencies.~~

29 (b) ~~For the purposes of this section, the following definitions~~  
30 ~~have the following meanings:~~

31 (1) ~~“Local agency” means a chartered or general law city, a~~  
32 ~~chartered or general law county, or a city and county.~~

33 (2) ~~“Retailer” means a retailer as defined by Section 6015 of~~  
34 ~~the Revenue and Taxation Code.~~

35 (3) ~~“Physical presence” means the lease or ownership of any~~  
36 ~~real property for the purpose of carrying on business operations.~~

37 (e) ~~This section shall not apply to local tax proceeds provided~~  
38 ~~by a local agency to a retailer if the funds are used to reimburse~~  
39 ~~the retailer for the construction of public works improvements that~~

1 ~~serve all or a portion of the territorial jurisdiction of the local~~  
2 ~~agency.~~

3 ~~(d) (1) This section shall not apply to an agreement to pay or~~  
4 ~~rebate any tax revenue resulting from the imposition of a sales and~~  
5 ~~use tax under the Bradley-Burns Uniform Local Sales and Use~~  
6 ~~Tax Law (Part 1.5 (commencing with Section 7200) of Division~~  
7 ~~2 of the Revenue and Taxation Code) relating to a buying company.~~  
8 ~~“Buying company” means, and is limited to, a legal entity that is~~  
9 ~~separate from another legal entity that owns, controls, or is~~  
10 ~~otherwise related to, the buying company and which has been~~  
11 ~~created for the purpose of performing administrative functions,~~  
12 ~~including acquiring goods and services for the other entity, as~~  
13 ~~defined by the State Board of Equalization, and meets requirements~~  
14 ~~of a buying company under Sections 6066 to 6075, inclusive, of~~  
15 ~~the Revenue and Taxation Code, and the regulations adopted~~  
16 ~~pursuant to those sections.~~

17 ~~(2) (A) Notwithstanding paragraph (1), on or after May 1, 2014,~~  
18 ~~a buying company does not include a retailer that contracts to sell~~  
19 ~~fuel through a card lock system.~~

20 ~~(B) “Card lock system” means a system in which owners of~~  
21 ~~unattended card lock fueling stations form a network whereby~~  
22 ~~customers may purchase fuel at any of the network’s participating~~  
23 ~~fueling stations by use of a card issued to the customer, and where~~  
24 ~~prices are not posted at the pump and no receipt is given at the~~  
25 ~~time of delivery.~~

26 ~~(C) This paragraph does not apply to an agreement entered into~~  
27 ~~before May 1, 2014, to pay or rebate any tax revenue resulting~~  
28 ~~from the imposition of a sales and use tax under the Bradley-Burns~~  
29 ~~Uniform Local Sales and Use Tax Law (Part 1.5 (commencing~~  
30 ~~with Section 7200) of Division 2 of the Revenue and Taxation~~  
31 ~~Code) relating to a buying company that is a retailer that contracts~~  
32 ~~to sell fuel through a card lock system.~~

33 ~~(e) This section shall not apply to any agreement by a local~~  
34 ~~agency to pay or rebate any use tax revenue resulting from the~~  
35 ~~imposition of a sales and use tax under the Bradley-Burns Uniform~~  
36 ~~Local Sales and Use Tax Law (Part 1.5 (commencing with Section~~  
37 ~~7200) of Division 2 of the Revenue and Taxation Code) relating~~  
38 ~~to a use tax direct payment permit issued under Section 7051.3 of~~  
39 ~~the Revenue and Taxation Code.~~

1     ~~(f) Nothing in this section shall be interpreted to limit the ability~~  
2     ~~of a local agency to contract with or otherwise enter into an~~  
3     ~~agreement pursuant to subdivision (b) of Section 7056 of the~~  
4     ~~Revenue and Taxation Code.~~

AMENDED IN ASSEMBLY JUNE 16, 2014

AMENDED IN SENATE APRIL 21, 2014

**SENATE BILL**

**No. 1077**

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**Introduced by Senator DeSaulnier**

February 19, 2014

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An act to add and repeal Chapter 7 (commencing with Section 3090) of Division 2 of, and to repeal Chapter 7 (commencing with former Section 3100) of Division 2 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1077, as amended, DeSaulnier. Vehicles: mileage-based fee pilot program.

Existing law establishes the Transportation Agency, which consists of the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.

*This bill would establish a Mileage-Based Fee (MBF) Task Force within the California Transportation Commission, as specified. The bill would require the task force to study MBF alternatives to the gas tax and to make recommendations to the Department of Transportation and the commission on the design of a pilot program, as specified. The bill would also authorize the task force to make recommendations on the criteria to be used to evaluate the pilot program. The bill would require the task force to consult with specified entities and to consider certain factors in carrying out its duties. The bill would require the Transportation Agency, based on the recommendations of the task force, to develop and implement a pilot program by January 1, 2016, to identify*

*and evaluate issues related to the potential implementation of a MBF program in California. The bill would require the agency to prepare and submit a report of its findings to the task force, the commission, and the appropriate fiscal and policy committees of the Legislature by no later than June 30, 2017, as specified. The bill would also require the commission to include its recommendations regarding the pilot program in its annual report to the Legislature, as specified. The bill would repeal these provisions on January 1, 2018.*

~~This bill would require the agency to develop, by January 1, 2016, a pilot program designed to assess specified issues related to implementing a mileage-based fee (MBF) in California to replace the state's existing fuel excise tax. The bill would require the agency, at a minimum, to assess certain issues related to implementing an MBF, including, among others, different methods for calculating mileage and collecting road use information, processes for managing, storing, transmitting, and destroying data to protect the integrity of the data and ensure drivers' privacy, and costs associated with the implementation and operation of the MBF system, as specified. The bill would also require the department to prepare and submit a specified report of its findings to the policy and fiscal committees of the Legislature no later than June 30, 2017. The bill would require the report to include, among other things, recommendations on how best to implement an MBF, as specified, and recommendations regarding public and private agency access to MBF data that ensures privacy rights as protected by the California Constitution. The bill would repeal these provisions on January 1, 2018.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. The Legislature finds and declares all of the*
- 2     *following:*
- 3     *(a) An efficient transportation system is critical for California's*
- 4     *economy and quality of life.*
- 5     *(b) The revenues currently available for highways and local*
- 6     *roads are inadequate to preserve and maintain existing*
- 7     *infrastructure and to provide funds for improvements that would*
- 8     *reduce congestion and improve service.*
- 9     *(c) The gas tax is an ineffective mechanism for meeting*
- 10    *California's long-term revenue needs for all of the following*

1 reasons because it will steadily generate less revenue as cars  
2 become more fuel efficient and alternative sources of fuel are  
3 identified. By 2030, as much as half of the revenue that could have  
4 been collected will be lost to fuel efficiency. Additionally, bundling  
5 fees for roads and highways into the gas tax makes it difficult for  
6 users to understand the amount they are paying for roads and  
7 highways.

8 (d) Other states have begun to explore the potential for a  
9 mileage-based fee to replace traditional gas taxes, including the  
10 State of Oregon, which established the first permanent road user  
11 fee program in the nation.

12 (e) A mileage-based fee program has the potential to distribute  
13 the gas tax burden across all vehicles regardless of fuel source  
14 and to minimize the impact of the current regressive gas tax  
15 structure.

16 (f) Experience to date in other states across the nation  
17 demonstrates that mileage-based user fees can be implemented in  
18 a way that ensures data security and maximum privacy protection  
19 for drivers.

20 (g) It is therefore important that the state begin to explore  
21 alternative revenue sources that may be implemented in lieu of the  
22 antiquated gas tax structure now in place.

23 SEC. 2. Chapter 7 (commencing with Section 3090) is added  
24 to Division 2 of the Vehicle Code, to read:

25

26 *CHAPTER 7. MILEAGE-BASED FEE PILOT PROGRAM*

27

28 3090. (a) The Mileage-Based Fee (MBF) Task Force is hereby  
29 established within the California Transportation Commission.

30 (b) The purpose of the task force is to guide the development  
31 and evaluation of a pilot program to assess the potential for  
32 mileage-based revenue collection for California's roads and  
33 highways as an alternative to the gas tax system.

34 (c) The task force shall consist of 14 members, as follows:

35 (1) Two members of the Assembly, appointed by the Speaker of  
36 Assembly.

37 (2) Two members of the Senate, appointed by the Senate  
38 Committee on Rules.

39 (3) Two members of the commission, appointed by the  
40 chairperson of the commission.

1 (4) *Eight members appointed by the Governor. In making these*  
2 *appointments, the Governor shall consider individuals who are*  
3 *representative of the telecommunications industry, highway user*  
4 *groups, the data security and privacy industry, the transportation*  
5 *research community, and national research and policymaking*  
6 *bodies, including, but not limited to, the Transportation Research*  
7 *Board and the American Association of State Highway and*  
8 *Transportation Officials.*

9 (d) *Members of the task force are entitled to compensation and*  
10 *expenses as authorized by the commission.*

11 (e) *The Department of Transportation shall provide staff to the*  
12 *task force.*

13 (f) *The task force shall study MBF alternatives to the gas tax.*  
14 *The task force shall gather public comment on issues and concerns*  
15 *related to the pilot program and shall make recommendations to*  
16 *the department and the commission on the design of a pilot*  
17 *program to test alternative MBF approaches. The task force may*  
18 *also make recommendations to the department and the commission*  
19 *on the criteria to be used to evaluate the pilot program.*

20 (g) *In studying alternatives to the current gas tax system and*  
21 *developing recommendations on the design of a pilot program to*  
22 *test alternative MBF approaches pursuant to subdivision (f), the*  
23 *task force shall take all of the following into consideration:*

24 (1) *The availability, adaptability, reliability, and security of*  
25 *methods that might be used in recording and reporting highway*  
26 *use.*

27 (2) *The necessity of protecting all personally identifiable*  
28 *information used in reporting highway use.*

29 (3) *The ease and cost of recording and reporting highway use.*

30 (4) *The ease and cost of administering the collection of taxes*  
31 *and fees as an alternative to the current system of taxing highway*  
32 *use through motor vehicle fuel taxes.*

33 (5) *Effective methods of maintaining compliance.*

34 (h) *The task force shall consult with highway users and*  
35 *transportation stakeholders, including representatives of vehicle*  
36 *users, vehicle manufacturers, and fuel distributors as part of its*  
37 *duties pursuant to subdivision (g).*

38 3091. *Based on the recommendations of the MBF Task Force,*  
39 *the Transportation Agency shall develop and implement, by*  
40 *January 1, 2016, a pilot program to identify and evaluate issues*

1 *related to the potential implementation of an MBF program in*  
2 *California.*

3 *3092. (a) The Transportation Agency shall prepare and submit*  
4 *a report of its findings based on the results of the pilot program*  
5 *to the MBF Task Force, the California Transportation Commission,*  
6 *and the appropriate policy and fiscal committees of the Legislature*  
7 *by no later than June 30, 2017. The report shall, include, but not*  
8 *be limited to, a discussion of all of the following issues:*

9 *(1) Cost.*

10 *(2) Privacy.*

11 *(3) Jurisdictional issues.*

12 *(4) Feasibility.*

13 *(5) Complexity.*

14 *(6) Acceptance.*

15 *(7) Use of revenues.*

16 *(8) Security and compliance.*

17 *(9) Potential for additional driver services.*

18 *(10) Implementation issues.*

19 *(b) The California Transportation Commission shall include*  
20 *its recommendations regarding the pilot program in its annual*  
21 *report to the Legislature as specified in Sections 14535 and 14536*  
22 *of the Government Code.*

23 *3093. This chapter shall remain in effect only until January 1,*  
24 *2018, and as of that date is repealed, unless a later enacted statute,*  
25 *that is enacted before January 1, 2018, deletes or extends that*  
26 *date.*

27 ~~SECTION 1. Chapter 7 (commencing with Section 3090) is~~  
28 ~~added to Division 2 of the Vehicle Code, to read:~~

29

30 ~~CHAPTER 7. MILEAGE-BASED FEE PILOT PROGRAM~~

31

32 ~~3090. (a) The Transportation Agency shall develop, by January~~  
33 ~~1, 2016, a pilot program designed to explore various methods for~~  
34 ~~using a mileage-based fee (MBF) to replace the state's existing~~  
35 ~~fuel excise tax. The agency, at a minimum, shall assess the~~  
36 ~~following issues related to implementing an MBF in California:~~

37 ~~(1) Different methods for calculating mileage and collecting~~  
38 ~~road usage information that include alternatives to using electronic~~  
39 ~~vehicle location data. Any methods considered shall collect the~~  
40 ~~minimum amount of personal information, including location~~

1 tracking information, necessary to accomplish the goals of the  
2 MBF.

3 (2) For methods involving vehicle location data, processes for  
4 managing, storing, transmitting, and destroying data to protect the  
5 integrity of the data and ensure the privacy of drivers.

6 (3) Types of equipment that may be required of the state and of  
7 drivers in order to implement an MBF, including a discussion of  
8 the advantages and disadvantages of the equipment, the privacy  
9 implications and considerations of the equipment, and  
10 contingencies in the event of equipment failure.

11 (4) Estimated costs, both public and private, associated with the  
12 initial implementation and ongoing operation of an MBF system.

13 (5) Processes and security measures necessary to minimize fraud  
14 and tax evasion rates.

15 (6) The appropriate government entities to collect data and  
16 handle revenue collection, and the frequency at which charges  
17 should be billed or collected.

18 (b) In developing this pilot program, the agency shall consult  
19 with the Department of Motor Vehicles, the Department of  
20 Transportation, the Institute of Transportation Studies at the  
21 University of California, or any other entity identified by the  
22 agency that has expertise in automotive technology, revenue  
23 collection, and protecting the public's private information.

24 (c) The agency shall prepare and submit a report of its findings  
25 to the appropriate policy and fiscal committees of the Legislature  
26 no later than June 30, 2017. The report shall include, but not be  
27 limited to, all of the following elements:

28 (1) Recommendations regarding how to best implement an MBF  
29 in a manner that minimizes confusion and inconvenience to  
30 California's drivers while also providing safeguards that ensure  
31 their privacy.

32 (2) Recommendations regarding public and private agency  
33 access, including law enforcement access, to the data collected  
34 and stored for purposes of the MBF that ensures individual privacy  
35 rights as protected by Section 1 of Article 1 of the California  
36 Constitution.

37 (3) Given the technological and institutional demands associated  
38 with implementing an MBF, a discussion of different processes  
39 that may be used to transition from the fuel tax to an MBF over  
40 time.

1 ~~(4) A discussion of issues the Legislature may wish to consider~~  
2 ~~when evaluating whether and how to implement an MBF, including~~  
3 ~~the potential impact of new, rapidly changing technology, such as~~  
4 ~~connected cars, which could provide new and possibly more~~  
5 ~~efficient options for collecting mileage data while protecting the~~  
6 ~~privacy of drivers.~~

7 ~~(5) With the transition from a fuel tax to an MBF, a discussion~~  
8 ~~of protections and safeguards that can be put in place to ensure~~  
9 ~~that the MBF has at least the same level of protection from~~  
10 ~~diversion and the same eligible uses as the fuel taxes being~~  
11 ~~replaced, including consideration of voter approval.~~

12 ~~(d) This chapter shall remain in effect only until January 1,~~  
13 ~~2018, and as of that date is repealed, unless a later enacted statute,~~  
14 ~~that is enacted before January 1, 2018, deletes or extends that date.~~

15 ~~SEC. 2.~~

16 ~~SEC. 3. Chapter 7 (commencing with former Section 3100) of~~  
17 ~~Division 2 of the Vehicle Code is repealed.~~

AMENDED IN ASSEMBLY JUNE 17, 2014

AMENDED IN SENATE MAY 7, 2014

**SENATE BILL**

**No. 1298**

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**Introduced by Senator Hernandez**  
*(Coauthor: Assembly Member Chau)*

February 21, 2014

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An act to amend Section 149.7 of, and to repeal and add Section 149.9 of, of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1298, as amended, Hernandez. High-occupancy toll lanes.

~~(1) Existing law authorizes a regional transportation agency, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit.~~

~~Existing law requires the commission to conduct at least one public hearing in northern California and one in southern California for each application and limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California. Existing law provides that no applications may be approved on or after January 1, 2012.~~

~~This bill would remove the limitations on the number of HOT lanes and would delete the January 1, 2012, deadline for HOT lane applications. The bill would provide that each application is subject to the review and approval of the commission, and would require that resources necessary in that regard be included in the Governor's proposed annual budget.~~

~~(2) Existing~~

*Existing law, until January 15, 2015, specifically authorizes a value-pricing and transit development demonstration program involving ~~HOT~~ high-occupancy toll (HOT) lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in the County of Los Angeles by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under certain conditions.*

*This bill would enact new provisions revising and recasting these provisions and would repeal the existing provisions, thereby extending the program indefinitely. The bill would specify additional requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. ~~The bill would require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles.~~ *program and clear and concise procedures for law enforcement.**

*The bill would delete the requirement that LACMTA may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize LACMTA to define the hours of operation of the HOT lanes. ~~corridors.~~ The bill would include, within the reimbursable costs *require reimbursement of state agencies from toll revenues, revenue of the cost incurred in the implementation of the program and the maintenance of state highway facilities in connection with the demonstration program. program and authorize remaining revenue to be used for improvements to the transportation corridor from which the revenue was generated.**

*The bill would require LACMTA and the Department of Transportation to report to the Legislature by January 31, 2015, on various aspects and effects of the ~~demonstration~~ program. The bill would also authorize LACMTA to issue bonds pursuant to the Los Angeles County Transportation Commission Revenue Bond Act at any time to finance any costs necessary to implement the program and to finance any expenditures payable from the revenues generated from the program.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 149.7 of the Streets and Highways Code is  
2 amended to read:

3 149.7. (a) A regional transportation agency, as defined in  
4 Section 143, in cooperation with the department, may apply to the  
5 commission to develop and operate high-occupancy toll lanes,  
6 including the administration and operation of a value pricing  
7 program and exclusive or preferential lane facilities for public  
8 transit, consistent with the established standards, requirements,  
9 and limitations that apply to those facilities in Sections 149, 149.1,  
10 149.3, 149.4, 149.5, and 149.6.

11 (b) Each application for the development and operation of the  
12 facilities described in subdivision (a) shall be subject to review  
13 and approval by the commission pursuant to eligibility criteria  
14 established by the commission. For each eligible application, the  
15 commission shall conduct at least one public hearing in northern  
16 California and one in southern California.

17 (c) The Governor shall include in each proposed annual budget  
18 the resources necessary for the commission to fulfill the  
19 requirements of this section.

20 (d) A regional transportation agency that develops or operates  
21 a facility, or facilities, described in subdivision (a) shall provide  
22 any information or data requested by the commission or the  
23 Legislative Analyst. The commission, in cooperation with the  
24 Legislative Analyst, shall annually prepare a report on the progress  
25 of the development and operation of a facility authorized under  
26 this section. The commission may submit this report as a section  
27 in its annual report to the Legislature required pursuant to Section  
28 14535 of the Government Code.

29 ~~SEC. 2.~~

30 ~~SECTION 1.~~ Section 149.9 of the Streets and Highways Code  
31 is repealed.

32 ~~SEC. 3.~~

33 ~~SEC. 2.~~ Section 149.9 is added to the Streets and Highways  
34 Code, to read:

35 149.9. (a) Notwithstanding Sections 149 and 30800 of this  
36 code, and Section 21655.5 of the Vehicle Code, the Los Angeles  
37 County Metropolitan Transportation Authority (LACMTA), may  
38 conduct, administer, and operate a value-pricing and transit  
39 development-demonstration program involving high-occupancy  
40 toll (HOT) lanes on State Highway Routes 10 and 110 in the

1 County of Los Angeles. LACMTA may direct and authorize the  
2 entry and use of the State Highway Route 10 and 110  
3 high-occupancy vehicle lanes by single-occupant vehicles ~~during~~  
4 ~~peak periods~~, *and those vehicles that do not meet minimum*  
5 *occupancy requirements*, as defined by LACMTA, for a fee. The  
6 amount of the fee shall be established by, and collected in a manner  
7 to be determined by, LACMTA. *LACMTA may continue to require*  
8 *high-occupancy vehicles to have an electronic transponder or*  
9 *other electronic device for enforcement purposes.*

10 (b) ~~The~~LACMTA shall implement the program in cooperation  
11 with the department, and with the active participation of the  
12 Department of the California Highway Patrol, pursuant to an  
13 agreement that addresses all matters related to design, construction,  
14 maintenance, and operation of state highway system facilities in  
15 connection with the program. With the ~~assistance~~ *consent* of the  
16 department, LACMTA shall establish appropriate performance  
17 measures, such as speed or travel times, for the purpose of ensuring  
18 optimal use of the HOT lanes by high-occupancy vehicles without  
19 adversely affecting other traffic on the state highway system.

20 (1) Agreements between LACMTA, the department, and the  
21 Department of the California Highway Patrol shall identify the  
22 respective obligations and liabilities of each party to the agreement  
23 and assign them responsibilities relating to the program. *The*  
24 *agreements entered into pursuant to this section shall be consistent*  
25 *with agreements between the department and the United States*  
26 *Department of Transportation relating to programs of this nature.*  
27 The agreements entered into pursuant to this section shall include  
28 clear and concise procedures for enforcement by the Department  
29 of the California Highway Patrol of laws prohibiting the  
30 unauthorized use of the HOT lanes. The agreements shall provide  
31 for reimbursement of state agencies, from revenues generated by  
32 the program, ~~federal funds specifically allocated to LACMTA for~~  
33 ~~the program by the federal government~~, *program* or other funding  
34 sources that are not otherwise available to state agencies for  
35 transportation-related projects, for costs incurred in connection  
36 with the implementation or operation of the program, as well as  
37 maintenance of state highway system facilities in connection with  
38 the program. ~~Reimbursement for LACMTA's program-related~~  
39 ~~planning and administrative costs in the operation of the program~~  
40 ~~shall not exceed 3 percent of the revenues.~~

1 (2) All remaining revenue generated by the program shall be  
2 used in the corridor from which the revenue was generated  
3 exclusively for preconstruction, construction, and other related  
4 costs of high-occupancy vehicle facilities, *transportation corridor*  
5 *improvements*, and the improvement of transit service in the  
6 corridor, including, but not limited to, support for transit operations  
7 pursuant to an expenditure plan adopted by ~~the~~ LACMTA.  
8 *LACMTA's administrative expenses related to the operation of the*  
9 *program shall not exceed 3 percent of the revenues.*

10 (c) Single-occupant vehicles *and those vehicles that do not meet*  
11 *minimum occupancy requirements* that are certified or authorized  
12 by LACMTA for entry into, and use of, the State Highway Routes  
13 10 and 110 high-occupancy vehicle lanes are exempt from Section  
14 21655.5 of the Vehicle Code, and the driver shall not be in violation  
15 of the Vehicle Code because of that entry and use.

16 (d) In implementing the program, ~~the~~ LACMTA shall ~~identify~~  
17 *continue to work with* the affected communities in the respective  
18 corridors and ~~work with those communities to identify impacts~~  
19 ~~and develop mitigation measures. The LACMTA shall assess the~~  
20 ~~impacts of the program on commuters of low income and shall~~  
21 ~~provide mitigation to those impacted commuters. Mitigation~~  
22 ~~measures may include, but are not limited to, provide mitigation~~  
23 ~~measures for commuters of low income, including reduced toll~~  
24 ~~charges and toll credits for transit users. Eligible commuters for~~  
25 ~~reduced toll charges or toll credits for transit users shall meet the~~  
26 ~~eligibility requirements for assistance programs under Chapter 2~~  
27 ~~(commencing with Section 11200) or Chapter 3 (commencing with~~  
28 ~~Section 12000) of Part 3 of, Part 5 (commencing with Section~~  
29 ~~17000) of, or Chapter 10 (commencing with Section 18900),~~  
30 ~~Chapter 10.1 (commencing with Section 18930), or Chapter 10.3~~  
31 ~~(commencing with Section 18937) of Part 6 of, Division 9 of the~~  
32 ~~Welfare and Institutions Code.~~

33 (e) ~~The~~ LACMTA and the department shall report to the  
34 Legislature by January 31, 2015. The report shall include, but not  
35 be limited to, a summary of the ~~demonstration~~ program, a survey  
36 of its users, the impact on carpoolers, revenues generated, how  
37 transit service or alternative modes of transportation were impacted,  
38 any potential effect on traffic congestion in the ~~HOV~~ lane  
39 *high-occupancy vehicle lanes* and in the neighboring lanes, the  
40 number of toll-paying vehicles that utilized the HOT lanes, any

1 potential reductions in the greenhouse gas emissions that are  
2 attributable to congestion reduction resulting from the HOT lane  
3 ~~demonstration~~ program, *any comments submitted by the*  
4 *Department of the California Highway Patrol regarding operation*  
5 *of the lanes*, and a description of the mitigation measures on the  
6 affected communities and commuters in ~~this demonstration~~ *the*  
7 program. The report shall be submitted in compliance with Section  
8 9795 of the Government Code. This subdivision shall become  
9 inoperative on January 31, 2019, pursuant to Section 10231.5 of  
10 the Government Code.

11 (f) Toll paying commuters shall have the option to purchase  
12 any necessary toll paying equipment, prepay tolls, and renew toll  
13 payments by cash or by using a credit card.

14 (g) This section shall not prevent the department or any local  
15 agency from constructing facilities that compete with a HOT lane  
16 ~~demonstration project, and the program, and~~ LACMTA shall not  
17 be entitled to compensation for adverse effects on toll revenue due  
18 to those facilities.

19 (h) *LACMTA may issue bonds, as set forth in Chapter 5*  
20 *(commencing with Section 130500) of Division 12 of the Public*  
21 *Utilities Code, at any time to finance any costs necessary to*  
22 *implement a value-pricing and transit development program*  
23 *established in accordance this section and to finance any*  
24 *expenditures payable from the revenues generated from the*  
25 *program.*