



S A C O G

Government Relations & Public Affairs Committee

Item #09-4-8

Information

March 26, 2009

Update on State Advocacy

Issue: Update on state legislation.

Recommendation: None; this item is for information only.

Discussion: SACOG staff and its state advocate, Jack Molodanof, have been reviewing legislation introduced this year. Legislation that relates to SACOG's State Advocacy Principles are grouped with the appropriate principle. A brief summary of each bill is attached. Staff will monitor these bills, add new bills which become relevant to the state advocacy plan, report back as bills progress, and bring forward recommendations for Board positions.

Economic Recovery—Caltrans is seeking to change distribution of federal stimulus funds through AB X3 20 (Bass). This legislation is described in more detail in a separate item.

Project Delivery—Part of the budget package passed in February included a limited expansion of design-build projects which also authorizes Caltrans and regional transportation agencies to enter into unlimited number of public-private partnerships agreements (SB X2 4-Cogdill). AB 729 (Evans) would extend design build for transit, and AB 878 (Caballero) would allow for additional public-private agreements.

Project Financing—ACA 9 (Huffman) would change the two-thirds voter approval requirement of local jurisdictions to 55 percent for local transportation measures, as currently exists for education. SB 205 (Hancock) would authorize countywide transportation agencies, with voter approval, to impose an annual \$10 fee on motor vehicles to be used for transportation purposes.

Climate Change/AB 32 Implementation—SB 721 (Steinberg) would create the Climate Action Team to coordinate the state's overall climate policy. AB 231 (Huffman) would establish a new state account to receive AB 32 fees and offset payments.

SB 375 (Implementation)—SB 575 (Steinberg) is the clean up bill for SB 375 of 2008. SB 406 (DeSaulnier) would authorize the MPO to impose a \$2.00 fee on motor vehicles and percentage to be used for regional Blueprint planning. AB 1414 (Hill) is a spot bill to deal with transportation planning. AB 1135 (Skinner) would require vehicle owners to report the odometer reading of their vehicle at the time of vehicle registration.

Infrastructure Bonds—AB 1072 (Eng) would appropriate funds from Proposition 1B.

Goods Movement—SB 632 (Lowenthal) would require the ports of Los Angeles, Long Beach and Oakland to assess their infrastructure and air quality improvement needs and identify funding options.

Williamson Act—SB 715 (Wolk) would reform and improve the Williamson Act.

Approved by:

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2009 SACOG State Legislative Tracking

Economic Recovery

AB X3 20 (Bass)—Federal transportation economic stimulus funds

The State Assembly and Senate have unanimously passed a new bill that revises state statute on how federal American Recovery & Reinvestment Act (ARRA) funds will be provided towards projects identified by the state and regions. The bill seeks to strike a balance among several goals: maximize federal funds through meeting all federal obligation deadlines; provide a significant spending boost to the State Highway and Operation Protection Program (SHOPP); provide a short-term cash flow loan to eligible Proposition 1B projects halted due to delayed bond sales; and geographic balance to ensure jobs and transportation improvements in all regions of the state.

Project Delivery

SB X2 4 (Cogdill)—Public contract: design-build: public private partnerships

Public-Private Partnerships for Transportation: Authorizes Caltrans and regional transportation agencies to enter into an unlimited number of comprehensive development lease agreements with public or private entities for transportation projects until January 2017. Establishes the Public Infrastructure Advisory Commission to advise Caltrans and regional transportation agencies in developing public-private partnerships. Vests responsibility with the CTC to oversee the process of approving projects for public-private partnerships and requires authorized projects to be designed primarily to improve mobility by reducing the number of hours of vehicle delay, improve the operation or safety of a corridor, provide air quality benefits, and address known forecast demands.

Design Build for Transportation: Authorizes local transportation entities to use design-build on up to five projects for local streets or road bridge, tunnel or public transit projects, and Caltrans to use design-build on up to 10 state highway, bridge, or tunnel projects until January 2014. Prescribes the procurement procedure to be used for soliciting and awarding design-build contracts. Requires the existence of a labor compliance program or a collective bargaining agreement for each design-build project. Requires a transportation entity, by June 30 of each year after a design-build contract is awarded, to submit a progress report to the CTC. The projects were not named in the bill.

AB 729 (Evans)—Public contracts: transit design-build contracts

This bill would extend existing authorization of design build for transit, currently sunseting in 2011.

AB 878 (Caballero)—Infrastructure financing

This bill would authorize a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue-generating infrastructure projects. The bill would require an agreement entered into under these provisions to include adequate financial resources to perform the agreement, and would permit the agreements to lease, license, or provide other permitted uses by the governmental agency to extend for a term of up to 50 years, after which time the project would revert to the governmental agency.

Project Financing

ACA 9 (Huffman)—Local government bonds: special taxes: voter approval

This measure would create an additional exception to the 1 percent limit for a rate imposed by a city, county, or city and county to service bonded indebtedness, incurred to fund specified public improvements, facilities, and housing, and related costs that is approved by 55 percent of the voters of the city, county, or city and county, as applicable. This additional exception would apply only if the proposition approved by the voters results in bonded indebtedness that includes specified accountability requirements.

This measure would change the 2/3 voter-approval requirement for special taxes to, instead, authorize a city, county, or special district to impose a special tax with the approval of 55 percent of its voters voting on the tax. This measure would also make technical, nonsubstantive changes to these provisions.

This measure would lower to 55 percent the voter approval threshold for a city, county, or city and county to incur bonded indebtedness, exceeding in one year the income and revenue provided in that year, that is in the form of general obligation bonds to fund specified public improvements.

SB 205 (Hancock)—Traffic congestion: motor vehicle registration fees

The bill would authorize a countywide transportation planning agency, by a majority vote of the agency's board, to impose an annual fee of up to \$10 on motor vehicles registered within the county for programs and projects for certain purposes. The bill would require voter approval of the measure. The bill would require the DMV, if requested, to collect the additional fee and

distribute the net revenues to the agency, after deduction of specified costs, and would limit the agency's administrative costs to not more than 5 percent of the distributed fees. The bill would require that the fees collected may only be used to pay for programs and projects bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the agency's board to make a specified finding of fact in that regard. The bill would require the governing board of the countywide transportation planning agency to adopt a specified expenditure plan.

Climate Change/AB 32 Implementation

SB 721 (Steinberg)— Energy: greenhouse gas emissions

This bill would create the Climate Action Team (CAT), consisting of representatives from specified state agencies, that would be responsible for coordinating the state's overall climate policy. The CAT, on or before January 1, 2011, and annually thereafter, would be required to prepare, adopt, and present to the Legislature, a strategic research, development, demonstration, and deployment plan that establishes priorities and identifies key expenditure categories for research, development, demonstration, and deployment funds to be expended by the state agencies represented on the CAT for the following fiscal year. The bill would require a state agency that is represented on the CAT to expend research, development, demonstration, and deployment funds, which would be administered by the Department of Transportation and allocated for clean technology, environmental protection, and public interest energy research, consistent with this plan. The CAT, on or before January 1, 2011, and biennially thereafter, would also be required to prepare and adopt a climate change impact mitigation and adaptation plan that includes specified information.

This bill would, instead, require the specified state agencies to prepare and submit to the CAT, the information in a standardized format as determined by the Secretary for Environmental Protection. The CAT would compile and organize the information submitted. The bill would additionally require the specified state agencies to submit information on other technologically feasible and cost-effective measures related to operations and programs managed by the state agencies that require statutory or regulatory changes for their adoption, and an estimate of potential GHG emission reductions from those measures.

This bill would provide that demonstration for purposes of this program, includes, but is not limited to, grants and loans to entities to commercialize new, cost-effective technologies in the California marketplace.

AB 231 (Huffman)—Global Warming Solutions Act of 2006: Climate Protection Trust Fund

This bill would require the ARB to, no later than March 30, 2010, adopt a schedule of fees. The revenues collected would be deposited in the Climate Protection Trust Fund, which the bill would create. All other compliance revenues collected pursuant to the act, including fines and penalties, would be required to be deposited into the fund, and would be available, upon appropriation by the Legislature, for the purposes of carrying out the act.

SB 31 (Pavley)—Global Warming Solutions Act of 2006: revenue allocations

This bill would require that revenues collected pursuant to compliance mechanisms adopted by the state board also be deposited in the Air Pollution Control Fund. This bill would specify certain uses of the revenues collected pursuant to the fee discussed above and the compliance mechanisms.

SB 375 (Implementation)

SB 575 (Steinberg)— Local planning: housing element

This is the clean up bill for SB 375 of 2008. Currently, the bill would extend the period local governments within the San Diego Association of Governments region have to adopt their 5th revision of their housing elements. Other clean up provisions are expected to be amended into this bill.

SB 406 (DeSaulnier)—Land use: environmental quality

This bill would change the membership of the Planning Advisory and Assistance Council and would require that the council work with the Strategic Growth Council. The bill would also require the council to report to the Legislature on specified regional performance measures and on the manner in which state agencies are implementing the five-year infrastructure plan. The bill would authorize a municipal planning organization or council of governments to adopt a resolution to impose a \$2 motor vehicle registration surcharge on vehicles registered in the entity's jurisdiction that would be collected by the Department of Motor Vehicles and, after deducting its administrative costs, would be transmitted to the entity imposing the surcharge. The bill would require that the surcharge revenue be expended to develop and implement a regional blueprint plan and would specify that 5 percent of the surcharge revenue be transmitted to the council for performance of its functions. The bill would provide that the council is to perform specified new functions only when the council has received sufficient revenue from this source.

AB 1414 (Hill)—Transportation planning

This is a spot bill to deal with transportation planning.

AB 1135 (Skinner)—Vehicles: registration renewal

This bill would require the owner of a vehicle, upon application for renewal of a vehicle registration, to report the current odometer reading of the vehicle. The bill would require that information, except for the name of the vehicle owner, to be public information.

Infrastructure Bonds

AB 1072 (Eng)—Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)

This bill would apply provisions to PTMISEA funds from Proposition 1B of 2006. The bill would require eligible project sponsors to provide the Department of Transportation with project descriptions for projects they plan to fund with PTMISEA funds yet to be appropriated for the duration of the PTMISEA program. Existing law is set to make these provisions inoperative July 1, 2009 and repeal them January 1, 2010. The bill would delete these dates, thereby extending the operation of these provisions indefinitely.

Goods Movement

SB 632 (Lowenthal)—Ports: congestion relief: air pollution mitigation

This bill would require the ports of Los Angeles, Long Beach and Oakland to assess their infrastructure and air quality improvement needs and identify funding options. SB 632 (Lowenthal) is the successor to SB 974 (Lowenthal) of the 2007-08 Session, which was vetoed by the Governor. SB 974 would have collected a \$30 fee for each cargo container entering the ports of Los Angeles, Long Beach and Oakland. The proceeds from these fees would have been used for congestion relief, air quality improvement and other measures at the ports as well as along the road and rail corridors between the port and the state border. SACOG was successful in seeking an amendment to SB 974 to include the Sacramento region in the area being considered for investment, and SACOG and PCTPA among the agencies consulted when determining where to spend the funds for congestion and air quality improvements.

As introduced, SB 632 does not specify a specific funding method. SB 632 would require the specified ports to assess its infrastructure and air quality improvement needs as well as all of the possible funding options for those projects and report their findings to the Legislature by July 2010. The assessments would include, but not be limited to, projects that improve the efficiency of the movement of cargo while reducing pollution associated with the movement of that cargo, and the replacement of the trucks, cargo handling equipment, locomotives, and ships that move that cargo.

Williamson Act

SB 715 (Wolk)—Agricultural land: Williamson Act.

The California Land Conservation Act or “Williamson Act” of 1965 has been successful in maintaining large amounts of land in agriculture by offering property tax benefits to participants in exchange for long-term land preservation contracts. Recently, the Governor’s office and the Legislative Analyst have argued that the Act is not working efficiently due to abuses by landowners leading to recent attempts to eliminate Williamson Act subventions from the state budget. SB 715 (Wolk) would reform the Williamson Act to address enforcement concerns by reforming three key elements. First, it would increase enforcement authority by eliminating the non-renewal protest provision and accelerate property tax increases to market rate when non-compliance leads to a jurisdiction’s determination of non-renewal. Currently, a landowner subject to non-renewal can protect their tax benefits for four years by filing a protest. And when a non-renewal is activated, property taxes increase to market rate over the entire remaining period of the contract, which can be as much as 10 years. Second, the bill would require proof of agricultural income be submitted to the county assessor for lands under contract. Currently, lands taken out of production still benefit from the Williamson Act and enforcement efforts are cumbersome. Third, the bill would condition the subdivision of land for development if the land is under contract. Currently, some lands under contract are being subdivided for residential uses that are not compatible with the Williamson Act. The bill is sponsored by Yolo County and supported by the California Farm Bureau Federation.